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SCHEDULES

SCHEDULE 4

AMENDMENTS OF INCOME TAX ACTS AND CORPORATION TAX ACTS

PART II

OTHER AMENDMENTS

Relief for payments of interest

- 9 (1) In section 60(1) of the Taxes Act (loan to purchase machinery or plant used by a partnership) after " interest paid by him in" insert " the basis period (as defined in section 72 of that Act) for ".
- (2) In section 62(1) of the Taxes Act (certain pre-1970 loans) for the words " on which the recipient is chargeable to tax under Case III of Schedule D, and" substitute " which is chargeable to tax under Case III of Schedule D, and ".
- (3) In section 63(2) of the Taxes Act (overdraft interest: money drawn and applied in whole or part for eligible purposes) after " that money " insert " or as the case may be that part of it " , and accordingly in subsection (5) of the said section 63 the words from " and where part only " to the end of the subsection shall cease to have effect.
- (4) At the end of the said section 63 add—
- “(7) Subsection (6) above applies only where the loan subsists throughout the year of assessment (but it is necessary to ascertain the interest paid in respect of a part only of the year), and where the loan subsists only for a shorter period but it is necessary to ascertain the interest paid in respect of part of that period, the calculation shall be made in a corresponding way”.
- (5) After section 64 of the Taxes Act insert—
- “64A Schemes for employees and directors to acquire shares.**
- Where under a scheme set up to comply with proviso (b) to section 54(1) of the Companies Act 1948 (financial assistance for company employees and salaried directors acquiring shares), or any corresponding enactment in force in Northern Ireland, trustees receive interest from such employees or directors then, if and so far as the scheme requires an equivalent amount to be paid by way of interest by the trustees to the company, the trustees shall be exempt from tax under Case III of Schedule D on that interest received by them.”
- (6) In section 173(3) of the Taxes Act (carry forward as losses of amounts taxed under section 53) before paragraph (a) insert—

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“(aa) to any payment to which the said section 53 applies by virtue of section 54(3) of this Act (annual interest)”.

- (7) In section 190 of the Taxes Act (interest on loans to purchase machinery or plant), in subsection (1)(a) after "balancing charge" insert " (or would be so entitled or liable but for some contribution made by the employer) ", and at the end insert—

“(6) Where the whole of a debt does not fulfil the conditions required by this section, relief shall be given under this section only in respect of the proportion of any payment of interest equal to the proportion of the debt fulfilling those conditions at the time of the application of the money in question”.

- (8) Sections 19, 22 and 24 of, and paragraphs 1 and 7 of Schedule 13 to, the Finance Act 1969 (which correspond to the provisions amended by section 17 of this Act and this paragraph) shall be deemed always to have had effect as if there had been made in them, with the necessary adaptations of wording and in particular with the necessary adaptations of references to other enactments, the amendments which are directed by the said section 17 and the preceding provisions of this paragraph to be made in the corresponding provisions of the Taxes Act.

For the year 1969-70 the Income Tax Act 1952 shall have effect, in relation to any debt incurred after 15th April 1969, as if it contained a section corresponding to the section 64A inserted by this paragraph in the Taxes Act.

- (9) All such assessments, repayments of tax and other adjustments shall be made as are required to give effect to sub-paragraph (8) above, but that sub-paragraph shall not be taken as authorising the giving of any relief more than once.