



Finance Act 1981

1981 CHAPTER 35

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

39 Exemption for interest on damages for personal injuries

- (1) In section 375A of the Taxes Act (exemption for interest included in judgment or interlocutor awarding damages for personal injuries) after subsection (1) there shall be inserted—

“(1A) A payment in satisfaction of a cause of action, including a payment into court, shall not be regarded as income for any income tax purpose to the extent to which it is in respect of interest which would fall within subsection (1) above if included in a sum for which a judgment is given or if decree for payment of it were included in an interlocutor.”

- (2) This section has effect in relation to any payment made on or after 6th April 1981.