

SCHEDULES

SCHEDULE 6

RESTRICTION OF HIGHER RATE RELIEF: BENEFICIAL LOANS ETC

Applicable rates of capital gains tax

- 6 (1) In section 102 of the Finance Act 1988 (unification of rates of tax on income and gains: special cases) after subsection (1) there shall be inserted—
- “(1A) References in section 98 above to income tax chargeable at the higher rate also include references to tax chargeable by virtue of section 353(4) or 369(3A) of that Act (restriction to basic rate of relief on certain interest etc) in respect of excess liability; and where for any year of assessment a deduction is by virtue of either of those provisions not allowed in computing the total income of a person for the purposes of excess liability then, whether or not he is chargeable to tax otherwise than at the basic rate, that deduction shall not be allowed for the purposes of section 98(4) above.”
- (2) In subsection (4) of that section (deductions in respect of personal reliefs not to be affected), after the words “subsection (1)” there shall be inserted the words “or (1A)”.