



Finance Act 1991

1991 CHAPTER 31

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Vocational training

[^{F1}32 Relief.

(1) This section applies where—

- (a) on or after 6th April 1992 an individual resident in the United Kingdom makes a payment in respect of a qualifying course of vocational training,
- (b) the payment is made in respect of an allowable expense,
- (c) the payment is made in connection with the individual's own training,

[at the time the payment is made, the individual—

- ^{F2}(ca) (i) in a case where the qualifying course of vocational training is such a course by virtue only of paragraph (b) of subsection (10) below, has attained the age of thirty, or
- (ii) in any other case, has attained school-leaving age and, if under the age of nineteen, is not a person who is being provided with full-time education at a school,]

[the individual undertakes the course neither wholly nor mainly for recreational purposes or as a leisure activity,]

- ^{F3}(cb) (d) at the time the payment is made, the individual has not received in relation to the course, and is not entitled to receive in relation to it, any public financial assistance of a description specified in regulations made by the Treasury for the purposes of this paragraph, and

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- (e) the individual is not entitled to claim any relief or deduction in respect of the payment under any other provision of the Income Tax Acts.
- [The individual shall be entitled to relief under this subsection in respect of the payment
- ^{F4}(2) for the year of assessment in which it is made; but relief under this subsection shall be given only on a claim made for the purpose, except where subsections (3) to (5) below apply.
- ^{F4}(2A) Where an individual is entitled to relief under subsection (2) above in respect of any payment made in a year of assessment, the amount of his liability for that year to income tax on his total income shall be the amount to which he would be liable apart from this section less whichever is the smaller of—
- (a) the amount which is equal to such percentage of the amount of the payment as is the basic rate for the year; and
 - (b) the amount which reduces his liability to nil.
- ^{F4}(2B) In determining for the purposes of subsection (2A) above the amount of income tax to which a person would be liable apart from this section, no account shall be taken of—
- (a) any income tax reduction under Chapter I of Part VII of the Taxes Act 1988 or under section 347B of that Act;
 - (b) any income tax reduction under section 353(1A) of the Taxes Act 1988;
 - (c) any relief by way of a reduction of liability to tax which is given in accordance with any arrangements having effect by virtue of section 788 of the Taxes Act 1988 or by way of a credit under section 790(1) of that Act;
 - (d) any tax at the basic rate on so much of that person's income as is income the income tax on which he is entitled to charge against any other person or to deduct, retain or satisfy out of any payment.]

(3) In such cases and subject to such conditions as the Board may specify in regulations, relief under subsection (2) above shall be given in accordance with subsections (4) and (5) below.

(4) An individual who is entitled to such relief in respect of a payment may deduct and retain out of it an amount equal to income tax on it at the basic rate for the year of assessment in which it is made.

(5) The person to whom the payment is made—

 - (a) shall accept the amount paid after deduction in discharge of the individual's liability to the same extent as if the deduction had not been made, and
 - (b) may, on making a claim [^{F5}in accordance with regulations], recover from the Board an amount equal to the amount deducted.

(6) The Treasury may make regulations providing that in circumstances prescribed in the regulations—

 - (a) an individual who makes, in respect of a qualifying course of vocational training, a payment in respect of an allowable expense shall cease to be and be treated as not having been entitled to relief under subsection (2) above in respect of the payment or such part of it as may be determined in accordance with the regulations; and
 - (b) he or the person to whom the payment was made (depending on the terms of the regulations) shall account to the Board for tax from which relief has been given on the basis that the individual was so entitled.

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- (7) Regulations under subsection (6) above may include provision adapting or modifying the effect of any enactment relating to income tax in order to secure the performance of any obligation imposed under paragraph (b) of that subsection.
- (8) In subsection (1)(a) above, the reference to an individual resident in the United Kingdom includes an individual performing duties which are treated by virtue of section 132(4)(a) of the Taxes Act 1988 as performed in the United Kingdom.
- (9) For the purposes of this section, a payment made in respect of a qualifying course of vocational training is made in respect of an allowable expense if—
- (a) it is made in respect of fees payable in connection with undertaking the course, including fees payable for assessment purposes, or
 - (b) it is made in respect of fees payable in connection with the making, as a result of having undertaken the course, of any entry in an official register or any award.

- [In this section “qualifying course of vocational training means—
- ^{F6}(10) (a) any programme of activity capable of counting towards a qualification—
- [accredited as a National Vocational Qualification by the
 - ^{F7}(i) Qualifications and Curriculum Authority or by the Qualifications, Curriculum and Assessment Authority for Wales, or]
 - (ii) accredited as a Scottish Vocational Qualification by the [^{F8}Scottish Qualifications Authority]; or
- (b) any course of training which—
- (i) satisfies the conditions set out in the paragraphs of section 589(1) of the Taxes Act 1988 (qualifying courses of training etc),
 - (ii) requires participation on a full-time or substantially full-time basis, and
 - (iii) extends for a period which consists of or includes four consecutive weeks,
- but treating any time devoted to study in connection with the course as time devoted to the practical application of skills or knowledge.]

- [In this section—
- ^{F9}(11) “school means any institution at which full-time education is provided to persons at least some of whom are under school-leaving age; and
- “school-leaving age means the age of sixteen.]]

Textual Amendments

- F1** S. 32 repealed (27.7.1999 with effect on 1.9.2000) by 1999 c. 16, s. 59(2)(3)(b), **Sch. 20 Pt. III(15)** Note; S.I. 2000/2004, **art. 2**
- F2** S. 32(1)(ca) substituted (29.4.1996 with effect in relation to payments made on or after 6.5.1996) by 1996 c. 8, s. 144(1)(2)(4)
- F3** S. 32(1)(ca)(cb) inserted (3.5.1994) by 1994 c. 9, s. 84(1)(4)
- F4** S. 32(2)(2A)(2B) substituted for s. 32(2) (27.7.1999 with effect as mentioned in s. 59(3)(a) of the amending Act) by 1999 c. 16, s. 59(1)(3)(a)
- F5** Words in s. 32(5)(b) inserted (29.4.1996) by 1996 c. 8, s. 129(2)
- F6** S. 32(10) substituted (29.4.1996 with effect in relation to payments made on or after 6.5.1996) by 1996 c. 8, s. 144(1)(3)(4)

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- F7** S. 32(10)(a)(i) substituted (1.10.1997) by 1997 c. 44, s. 57(1), **Sch. 7 para. 6** (with transitional provisions in S.I. 1997/1468, arts. 2(3), 4(2), **Sch. 1 Pt. III**) (which amending para. 6 was repealed (27.7.1999) by 1999 c. 16, s. 139, **Sch. 20 Pt. III** Note)
- F8** Words in s. 32(10)(a)(ii) substituted (1.4.1997) by 1996 c. 43, s. 36, **Sch. 5 para. 7**; S.I. 1997/365, **art. 2**
- F9** S. 32(11) inserted (3.5.1994) by 1994 c. 9, s. **84(3)(4)**

Modifications etc. (not altering text)

- C1** S. 32(5)(b) excluded (29.4.1996) by 1996 c. 8, s. **129(2)**

Changes to legislation:

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