



# Finance Act 2006

## 2006 CHAPTER 25

### PART 3

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 9

#### MISCELLANEOUS PROVISIONS

#### *Settlements*

#### **90 Special trusts tax rates not to apply to social landlords' service charge income**

- (1) Section 686 of ICTA (accumulation and discretionary trusts: special rates of tax) is amended as follows.
- (2) In subsection (2), after paragraph (b) insert—
  - “(ba) is not income from service charges held on trust (or, in Scotland, held in trust) by a relevant housing body; and”.
- (3) After subsection (6) insert—
  - “(6ZA) In this section—
    - “relevant housing body” means—
      - (a) a local authority,
      - (b) a registered social landlord,
      - (c) a Northern Ireland housing association,
      - (d) a charitable housing association,
      - (e) a charitable housing trust,
      - (f) a housing action trust established under Part 3 of the Housing Act 1988,
      - (g) the Housing Corporation, or

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*Status: This is the original version (as it was originally enacted).*

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(h) the Northern Ireland Housing Executive; and  
“service charge” has the meaning given by section 18(1) of the Landlord and Tenant Act 1985.

(6ZB) In subsection (6ZA)—

“charitable housing association” means a society, body or company which—

- (a) satisfies the conditions in section 5(1)(a) and (b) of the Housing Act 1985, and
- (b) is registered in a register kept under section 3 of the Charities Act 1993 or section 3 of the Charities and Trustee Investment (Scotland) Act 2005;

“charitable housing trust” means a corporation or body which—

- (a) satisfies the condition in section 6(a) or (b) of the Housing Act 1985, and
- (b) is registered in a register kept under section 3 of the Charities Act 1993 or section 3 of the Charities and Trustee Investment (Scotland) Act 2005;

“Northern Ireland housing association” means a body which is registered in the register maintained under Article 14 of the Housing (Northern Ireland) Order 1992; and

“registered social landlord” means a body which is registered in a register maintained under section 1 of the Housing Act 1996 or section 57 of the Housing (Scotland) Act 2001.”

(4) This section has effect for the year 2006-07 and subsequent years of assessment.