



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 15

#### DEDUCTION OF INCOME TAX AT SOURCE

### CHAPTER 18

#### OTHER REGIMES INVOLVING THE DEDUCTION OF INCOME TAX AT SOURCE

##### *Real Estate Investment Trusts*

#### **973 Income tax due in respect of distributions**

- (1) The Treasury may make regulations providing for the assessment, collection and recovery of income tax where—
  - (a) a distribution to which subsection (2) or (3) applies is made, and
  - (b) tax is or may become chargeable in respect of the distribution (whether by virtue of [<sup>F1</sup>section 548(5) or (6) of CTA 2010] (distributions: liability to tax) or otherwise).
- (2) This subsection applies to a distribution if—
  - (a) it is made by a [<sup>F2</sup>company UK REIT], and
  - (b) it is a distribution of profits or gains (or of both) of [<sup>F3</sup>the company's property rental business].
- (3) This subsection applies to a distribution if—
  - (a) it is made by the principal company of a [<sup>F4</sup>group UK REIT], and
  - [<sup>F5</sup>(b) it is a distribution of amounts shown in the financial statement under section 532(2)(a) of CTA 2010 (statement of group's property rental business) as—
    - (i) profits or gains (or both) of UK members of the group, or

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(ii) profits or gains (or both) of UK property rental business of non-UK members of the group.]

[<sup>F6</sup>(3A) In this section, section 974 and any regulations under this section, “distribution” is to be read in accordance with section 554A of CTA 2010 (meaning of “distribution”).

(3B) Section 599A of CTA 2010 (amount of distribution consisting of share capital issued in lieu of cash dividend) applies for the purposes of this section, section 974 and any regulations under this section as it applies for the purposes of Part 12 of that Act (Real Estate Investment Trusts).]

[<sup>F7</sup>(4) In this section—

“company UK REIT” and “group UK REIT” have the same meaning as in Part 12 of CTA 2010 (see sections 523(5) and 524(5) of that Act),

“group” and “principal company” have the same meaning as in Part 12 of CTA 2010 (see section 606 of that Act), and

“property rental business” and “UK property rental business” have the same meaning as in Part 12 of CTA 2010 (see sections 519 and 520 of that Act).]

(5) References in this section to a [<sup>F8</sup>UK or non-UK company are to be read in accordance with Part 12 of CTA 2010 (see section 521 of that Act)].

(6) In this section “gains” includes chargeable gains.

[<sup>F9</sup>(7) In relation to references to profits of property rental business, see section 549A of CTA 2010.]

#### Textual Amendments

- F1** Words in s. 973(1)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 560(2)** (with [Sch. 2](#))
- F2** Words in s. 973(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 560(3)(a)** (with [Sch. 2](#))
- F3** Words in s. 973(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 560(3)(b)** (with [Sch. 2](#))
- F4** Words in s. 973(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 560(4)(a)** (with [Sch. 2](#))
- F5** S. 973(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 560(4)(b)** (with [Sch. 2](#))
- F6** S. 973(3A)(3B) inserted (16.12.2010 with effect in accordance with [Sch. 4 para. 12](#) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **Sch. 4 para. 2**
- F7** S. 973(4) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 560(5)** (with [Sch. 2](#))
- F8** Words in s. 973(5) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 1 para. 560(6)** (with [Sch. 2](#))
- F9** S. 973(7) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), **Sch. 19 para. 12**

## 974 Regulations under section 973

(1) Regulations under section 973 may, in particular—

- (a) require a company to deduct sums representing income tax at the basic rate before payment of distributions,

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- (b) specify classes of shareholder to whom distributions may be made without deduction of such sums,
  - (c) make provision about the calculation of the sums to be deducted by a company,
  - (d) require a company to account for income tax equal to the sums deducted,
  - (e) apply an enactment (with or without modification) in respect of cases where a sum representing income tax is deducted or treated as deducted from income,
  - (f) specify the time at which a distribution is to be treated as made by a company,
  - (g) specify periods in respect of which payments of income tax are to be made,
  - (h) specify times at which payments of income tax are to be made,
  - (i) make provision about the making of claims and determinations in respect of over-payment or under-payment (which may include provision for appeals),
  - (j) include provision requiring the payment of interest in respect of late payments of income tax (which may—
    - (i) provide for payment without deduction of sums representing income tax,
    - (ii) allow interest paid as a deduction from profits of the company's [<sup>F10</sup>property rental business]),
  - (k) require a company to provide a shareholder with a statement in writing containing specified information,
  - (l) make provision about the repayment to a shareholder of sums deducted and paid to the Commissioners for Her Majesty's Revenue and Customs in respect of income tax,
  - (m) make provision for the payment of interest in respect of repayments under paragraph (l),
  - (n) require notices to be given by or to a company,
  - (o) require a company to make returns, and
  - (p) require a company to make records available to the Commissioners for Her Majesty's Revenue and Customs for inspection.
- (2) A reference in subsection (1) to a distribution in respect of profits of [<sup>F11</sup>property rental business] includes a distribution made after [<sup>F12</sup>the company or group (as the case may be) has ceased to be a UK REIT].
- (3) A distribution which is treated as having been made by virtue of [<sup>F13</sup>section 530(6) of CTA 2010] is also to be treated as having been made for the purposes of regulations under section 973.
- (4) Regulations under section 973—
- (a) may make provision which applies generally or only in specified cases or circumstances,
  - (b) may make different provision for different cases or circumstances, and
  - (c) may contain incidental, supplemental, consequential and transitional provision and savings.
- (5) In subsections (1) and (2), so far as they apply to cases within section 973(1)(a), “profits” includes gains (including chargeable gains).
- [<sup>F14</sup>(6) In this section—
- property rental business” has the same meaning as in Part 12 of CTA 2010 (see section 519 of that Act), and

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“UK REIT” has the same meaning as in Part 12 of CTA 2010 (see section 518(4) of that Act).]

[<sup>F15</sup>(7) In relation to references to profits of property rental business, see section 549A of CTA 2010.]

#### Textual Amendments

- F10** Words in s. 974(1)(j)(ii) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 561\(2\)](#) (with [Sch. 2](#))
- F11** Words in s. 974(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 561\(3\)\(a\)](#) (with [Sch. 2](#))
- F12** Words in s. 974(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 561\(3\)\(b\)](#) (with [Sch. 2](#))
- F13** Words in s. 974(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 561\(4\)](#) (with [Sch. 2](#))
- F14** S. 974(6) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 561\(5\)](#) (with [Sch. 2](#))
- F15** S. 974(7) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\), Sch. 19 para. 12](#)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)