



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 section 121(1) of FA 2006 (distributions: liability to tax) or otherwise).
- (2) This subsection applies to a distribution if—
 - (a) it is made by a company to which Part 4 of FA 2006 applies (Real Estate Investment Trusts), and
 - (b) it is a distribution of profits or gains (or of both) of C (tax-exempt).
- (3) This subsection applies to a distribution if—
 - (a) it is made by the principal company of a group to which Part 4 of FA 2006 applies, and
 - (b) it is a distribution of amounts shown in the financial statements of G (property rental business) as—
 - (i) profits and gains of UK resident members of the group, or

Status: This is the original version (as it was originally enacted).

- (ii) profits and gains of the property rental business in the United Kingdom of non-UK resident members of the group.
- (4) In this section—
 - “C (tax-exempt)” has the meaning given by section 105(3)(b) of FA 2006,
 - “G (property rental business)” has the meaning given by paragraph 2 of Schedule 17 to that Act,
 - “group” and “principal company” have the meanings given by section 134 of that Act, and
 - “property rental business” has the meaning given by section 104 of that Act (read with paragraph 32(2) of Schedule 17 to that Act).
- (5) References in this section to a UK resident company have the same meaning as in Schedule 17 to FA 2006 (see paragraph 3(1) of that Schedule).
- (6) In this section “gains” includes chargeable gains.

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,
 - (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 tax-exempt 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 tax-exempt business includes a distribution made after Part 4 of FA 2006 has ceased to apply to a company.
- (3) A distribution which is treated as having been made by virtue of section 107(9)(b) of FA 2006 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).
- (6) In this section “tax-exempt business” has same meaning as in Part 4 of FA 2006 (see section 107(2) of that Act).