



Income Tax Act 2007

2007 CHAPTER 3

PART 8

OTHER RELIEFS

CHAPTER 1

INTEREST PAYMENTS

Loans for paying inheritance tax

403 Loan to pay inheritance tax

- (1) This section applies to a loan to the personal representatives of a deceased person if the loan is used—
 - (a) in paying inheritance tax that meets the condition specified in subsection (2), or
 - (b) in repaying another loan to which this section applies.
- (2) The condition is that the personal representatives are obliged to pay the tax under section 226(2) of IHTA 1984 (obligation of personal representatives to pay tax on delivery of their account).
- (3) A written statement appearing to be from an officer of Revenue and Customs is sufficient evidence—
 - (a) of the amount of inheritance tax that meets the condition specified in subsection (2), and
 - (b) of any statements relevant to its calculation.
- (4) In this section references to inheritance tax include interest payable on that tax.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

404 Eligibility requirements for interest on loans within section 403

Interest on a loan within section 403(1) is eligible for relief only so far as it is paid in respect of a period ending within 12 months from the making of the loan used as mentioned in section 403(1)(a).

405 Carry back and forward of relief for interest on loans within section 403

- (1) This section applies if relief for any interest on a loan within section 403(1) that is eligible for relief cannot be given for the tax year in which the interest is paid because there is not enough income in that year.
- (2) The person paying the interest is entitled to relief for that interest—
 - (a) for the preceding tax year, or
 - (b) if there is not enough income in that year, for the tax year preceding it, and so on.
- (3) If relief cannot be given under subsection (2), it may instead be given—
 - (a) for the tax year following that in which the interest is paid, or
 - (b) if there is not enough income in that year, for the tax year following it, and so on.

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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.)