Finance (No. 3) Act 2010

2010 CHAPTER 33

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Income tax and corporation tax

2   Payments to special guardians and those in receipt of residence orders

(1) Part 6 of ITTOIA 2005 (exempt income) is amended as follows.

(2) In section 744 (payments to adopters: England and Wales)—
   (a) the existing provision becomes subsection (1),
   (b) in that subsection, omit the "and" before paragraph (e) and after that paragraph insert—
   "(f) payments made under regulations under section 14F of the Children Act 1989 (special guardianship support services) to a person appointed as a child's special guardian,
   (g) payments made to a person under section 17 of that Act (provision of services for children in need, their families and others) by reason of that person being a person in whose favour a residence order with respect to a child is in force,
   (h) payments made to a person, in respect of a child, under paragraph 15 of Schedule 1 to that Act (local authority contribution to child's maintenance to recipients in whose favour residence order is in force), and
   (i) payments made in accordance with—
       (i) an order under that Schedule (orders for financial relief against parents etc), or
       (ii) a maintenance agreement,

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      for the benefit of a child, to a person appointed as the child's special guardian or a person in whose favour a residence order with respect to the child is in force.",

  (c) after that subsection insert—

    "(2) But a payment is not within subsection (1)(f), (g), (h) or (i) if—

      (a) it is made to an excluded relative of the child,

      (b) it is made to a person appointed as the child's special guardian and an excluded relative is also appointed as the child's special guardian, or

      (c) it is made to a person in whose favour a residence order is in force with respect to the child and that order is also in favour of an excluded relative.

    (3) In this section—

      "excluded relative", in relation to a child, means—

        (a) a parent of the child, or

        (b) a person who is, or has been, the husband or wife or civil partner of a parent of the child;

      "maintenance agreement" has the meaning given by paragraph 10(1) of Schedule 1 to the Children Act 1989;

      "residence order" has the meaning given by section 8 of that Act.", and

  (d) in the heading, after "**adopters**" insert " **, etc** ".

 (3) In section 745 (payments to adopters: Scotland)—

  (a) the existing provision becomes subsection (1),

  (b) in that subsection, omit the "and" before paragraph (d) and after that paragraph insert—

      "(e) payments made to a person under section 50 of the Children Act 1975, or section 22 of the Children (Scotland) Act 1995, by reason of that person being a person with whom a child is to live by virtue of a residence order, and

      (f) payments of aliment made—

        (i) in accordance with an award of aliment under the Family Law (Scotland) Act 1985, or

        (ii) under an agreement (within the meaning of section 7(5) of that Act),

      for the benefit of a child, to a person in whose favour a residence order with respect to the child is in force.",

  (c) after that subsection insert—

    "(2) A payment is not within subsection (1)(e) or (f) if—

      (a) it is made to an excluded relative of the child, or

      (b) it is made to a person in whose favour a residence order is in force with respect to the child and that order is also in favour of an excluded relative.

    (3) In this section—

      "excluded relative", in relation to a child, means—

         (a) a parent of the child, or

         (b) a person who is, or has been, the husband or wife or civil partner of a parent of the child;

"residence order" has the meaning given by section 11(2)(c) of the Children (Scotland) Act 1995.", and

  (d) in the heading, after "**adopters**" insert " **, etc** ".

(4) In section 746 (payments to adopters: Northern Ireland)—

  (a) the existing provision becomes subsection (1),

  (b) in that subsection, omit the "and" before paragraph (c) and after that paragraph insert—

    "(d) payments made to a person under Article 18 of the Children (Northern Ireland) Order 1995 (S.I. 1995/755 (NI 2)) (general duty of authority to provide personal social services) by reason of that person being a person in whose favour a residence order with respect to a child is in force,

    (e) payments made to a person, in respect of a child, under paragraph 17 of Schedule 1 to that Order (local authority contribution to child's maintenance to recipients in whose favour residence order is in force), and

    (f) payments made in accordance with—

        (i) an order under that Schedule (orders for financial relief against parents etc), or

        (ii) a maintenance agreement,

    for the benefit of a child, to a person in whose favour a residence order with respect to the child is in force.",

  (c) after that subsection insert—

    "(2) But a payment is not within subsection (1)(d), (e) or (f) if—

      (a) it is made to an excluded relative of the child, or

      (b) it is made to a person in whose favour a residence order is in force with respect to the child and that order is also in favour of an excluded relative.

    (3) In this section—

    "excluded relative", in relation to a child, means—

      (a) a parent of the child, or

      (b) a person who is, or has been, the husband or wife or civil partner of a parent of the child;

    "maintenance agreement" has the meaning given by paragraph 12 of Schedule 1 to the Children (Northern Ireland) Order 1995;

    "residence order" has the meaning given by Article 8 of that Order.", and

  (d) in the heading, after "**adopters**" insert " **, etc** ".

(5) The amendments made by this section have effect in relation to the tax year 2010-11 and subsequent tax years.

Changes to legislation:
There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Section 2.