



Finance Act 2012

2012 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 2

INCOME TAX: GENERAL

Reliefs

16 Employment income exemptions: armed forces

- (1) Chapter 8 of Part 4 of ITEPA 2003 (exemptions: special kinds of employees) is amended as follows.
- (2) In section 297A (exemption for Operational Allowance), in subsection (2), for “by the Secretary of State” substitute “ under a Royal Warrant made under section 333 of the Armed Forces Act 2006 ”.
- (3) In section 297B (exemption for Council Tax Relief), in subsection (2), for “by the Secretary of State” substitute “ under a Royal Warrant made under section 333 of the Armed Forces Act 2006 ”.
- (4) After that section insert—

“297C Armed forces: Continuity of Education Allowance

- (1) No liability to income tax arises in respect of payments of the Continuity of Education Allowance to or in respect of members of the armed forces of the Crown during their employment under the Crown or after their deaths.

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2012, Section 16. (See end of Document for details)*

- (2) The Continuity of Education Allowance is an allowance designated as such under a Royal Warrant made under section 333 of the Armed Forces Act 2006.”
- (5) The amendments made by this section have effect in relation to payments made on or after 6 April 2012.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2012, Section 16.