

FINANCE ACT 2015

EXPLANATORY NOTES

INTRODUCTION

Section 24: Increased Remittance Basis Charge

Details of the Section

2. Subsection (2) amends the existing section 809C of the Income Tax Act 2007 (ITA).
3. Paragraphs (a) to (d) of subsection (2) define the 17-year residence test (the individual has been resident in the UK in at least 17 of the 20 tax years preceding the tax year in which they claim the remittance basis) and ensure that if it applies then neither the 12-year residence test nor the 7-year residence test will apply.
4. Paragraph (e) of subsection (2) provides that the maximum relevant tax increase will be:
 - for the 17-year residence test, £90,000; and,
 - for the 12-year residence test, £60,000.
5. Subsection (3) amends section 809H of ITA. It provides that an individual claiming the remittance basis will be liable to pay:
 - an annual charge of £90,000 for any tax year in which they meet the 17-year residence test; and,
 - an annual charge of £60,000 for any tax year in which they meet the 12-year residence test, but not the 17-year test.
6. Subsection (4) provides that the section has effect from the start of the 2015-16 tax year.