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*Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

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## SCHEDULES

### SCHEDULE 8

#### INTEREST PAID ON DEPOSITS WITH BANKS ETC

*Assessments to income tax etc.*

- 4 (1) Where in relation to any payment of interest (the "payment") a deposit-taker is liable to account for and pay an amount under the principal section—
- (a) subject to sub-paragraph (2) below, no assessment to income tax shall be made on, and no repayment of income tax shall be made to, the person receiving or entitled to the payment in respect of it;
  - (b) the payment shall, in computing the total income of the person entitled to it, be treated as income for that year received by him after deduction of income tax at the basic rate from a corresponding gross amount; and
  - (c) the payment (and no more) shall, in applying sections 52 and 53 of the Taxes Act to other payments be treated as profits or gains which have been brought into charge to income tax.
- (2) Sub-paragraph (1)(a) above shall not prevent an assessment in respect of income tax at a rate other than the basic rate.
- (3) For the purpose of determining whether any or what amount of tax is, by virtue of sub-paragraph (1)(b) above, to be taken into account as having been deducted from a gross amount in the case of an individual whose total income is reduced by any deductions, so much only of that gross amount shall be taken into account as is part of his total income as so reduced.