



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART VII

GENERAL PROVISIONS RELATING TO TAXATION OF INCOME OF INDIVIDUALS

CHAPTER I

PERSONAL RELIEFS

The reliefs

256 General.

[^{F1}(1)] ^{M1}An individual who makes a claim in that behalf or, in the case of relief under section 266, who satisfies the conditions of that section, shall be entitled to such relief as is specified in sections 257 to 274, subject however to the provisions of [^{F2}section 278] and [^{F3}287 and 288].

[^{F4}(2)] Where under any provision of this Chapter the relief to which a person is entitled for any year of assessment consists in [^{F5}a tax reduction] calculated by reference to a specified amount, [^{F6}the amount of the tax reduction is equal to 10 per cent. of the specified amount].

(3) ^{F7}.....]

Textual Amendments

- F1 S. 256 renumbered as s. 256(1) (with effect as mentioned in s. 77(7) of the amending Act) by Finance Act 1994 c. 9, s. 77(1)
- F2 Words in s. 256(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 27(2) (with Sch. 2)
- F3 “287 and 288”

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repealed by 1988(F) Sch.14 Part. VIII for 1990-91 and subsequent years. And see 1970(M) ss.42 and 43—procedure on claims and appeals.

- F4** S. 256(2)(3) inserted (with effect as mentioned in s. 77(7) of the amending Act) by Finance Act 1994 c. 9, s. 77(2)
- F5** Words in s. 256(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 27(3)(a) (with Sch. 2)
- F6** Words in s. 256(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 27(3)(b) (with Sch. 2)
- F7** S. 256(3) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 27(4), Sch. 3 Pt. 1 (with Sch. 2)

Marginal Citations

- M1** Source-1970 s.5; 1971 Sch.4 3; 1975 (No.2) s.31(3); 1976 Sch.4 3(1), 18(1)

[^{F8}256A Meaning of “adjusted net income”

- (1) For the purposes of this Chapter an individual's adjusted net income for a year of assessment is calculated as follows.

Step 1

Take the amount of the individual's net income for the year of assessment.

Step 2

If in the year of assessment the individual makes, or is treated under section 426 of ITA 2007 as making, a gift that is a qualifying donation for the purposes of Chapter 2 of Part 8 of that Act (gift aid) deduct the grossed up amount of the gift.

Step 3

If the individual is given relief in accordance with section 192 of FA 2004 (relief at source) in respect of any contribution paid in the year of assessment under a pension scheme, deduct the gross amount of the contribution.

Step 4

Add back any relief under section 266 of this Act given by virtue of subsection (7) of that section (payments for life insurance etc) that was deducted in calculating the individual's net income for the year of assessment.

The result is the individual's adjusted net income for the year of assessment.

- (2) The grossed up amount of a gift is the amount of the gift grossed up by reference to the basic rate for the year of assessment.
- (3) The gross amount of a contribution is the amount of the contribution before deduction of tax under section 192(1) of FA 2004.]

Textual Amendments

- F8** Ss. 256A, 256B inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 28 (with Sch. 2)

Status: Point in time view as at 06/04/2007.

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[^{F8}256B Meaning of “the minimum amount”

In this Chapter “the minimum amount” means £2,350.]

Textual Amendments

F8 Ss. 256A, 256B inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 28** (with Sch. 2)

Modifications etc. (not altering text)

C1 S. 256B amended (2008-09) by S.I. 2008/673, **art. 2(2)**
S. 256B amended (2009-10) by S.I. 2008/3024, **art. 2(a)**

[^{F9}257 Personal allowance.

- (1) The claimant shall be entitled to a [^{F10}personal allowance] of [^{F11}£3,005].
- (2) If the claimant ^{F12}. . . is at any time within the year of assessment of the age of 65 or upwards, he shall be entitled to a [^{F13}personal allowance] of [^{F11}£3,670] (instead of [^{F14}the allowance] provided for by subsection (1) above).
- (3) If the claimant ^{F12}. . . is at any time within the year of assessment of the age of [^{F15}75] or upwards, he shall be entitled to a [^{F16}personal allowance] of [^{F11}£3,820] (instead of [^{F17}the allowance] provided for by subsection (1) or (2) above).
- (4) For the purposes of subsections (2) and (3) above a person who would have been of or over a specified age within the year of assessment if he had not died in the course of it shall be treated as having been of that age within that year.
- (5) In relation to a claimant whose [^{F18}adjusted net income] for the year of assessment exceeds [^{F11}£12,300], subsections (2) and (3) above shall apply as if the amounts specified in them were reduced by [^{F15}one half] of the excess (but not so as to reduce those amounts below that specified in subsection (1) above.)

[An allowance under this section is given effect at Step 3 of the calculation in section 23 ^{F19}(6) of ITA 2007.]]

Textual Amendments

- F9** Ss. 257-257F substituted for s. 257 (1990-91 and subsequent years) by Finance Act 1988 (c. 39), **s. 33**
- F10** Words in s. 257(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 29(2)** (with Sch. 2)
- F11** S.I. 1990 No.677, **arts.2(1)(3)** (in Part III Vol.5)for 1990-91.
- F12** Words in s. 257(2)(3) repealed (with effect as mentioned in s. 134(2) of the repealing Act) by Finance Act 1996 (c. 8), Sch. 20 para. 13, **Sch. 41 Pt. 5(10)**, Note
- F13** Words in s. 257(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 29(3)(a)** (with Sch. 2)
- F14** Words in s. 257(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 29(3)(b)** (with Sch. 2)
- F15** 1989 s.33 for 1990-91and subsequent years.
- F16** Words in s. 257(3) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 29(4)(a)** (with Sch. 2)

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- F17** Words in s. 257(3) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 29(4)(b)** (with Sch. 2)
- F18** Words in s. 257(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 29(5)** (with Sch. 2)
- F19** S. 257(6) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 29(6)** (with Sch. 2)

Modifications etc. (not altering text)

- C2** S. 257 amended (1991-92) by S.I. 1991/732, **art. 2(3)**
 S. 257 amended (1992-93) by S.I. 1992/622, **art. 2(3)**
 S. 257 amounts specified (1993-94) by 1993 c. 34, s. 52 (in place of S.I. 1993/755, **art. 2(3)**)
 S. 257 amounts specified (1994-95) by 1994 c. 9, s. 76 (in place of S.I. 1993/2948, **art. 2(3)**)
 S. 257(1)(5) amended (1995-96) by S.I. 1994/3012, **art. 2(3)(a)(d)**
 S. 257(2)(3) amended (1995-96) by 1995 c. 4, s. 36 (in place of S.I. 1994/3012, **art. 2(3)(b)(c)**)
 S. 257(5) amended (1996-97) by S.I. 1995/3031, **art. 2(3)(d)**
 S. 257(1)(2)(3) amended (1996-97) by 1996 c. 8, s. 74(2) (in place of S.I. 1995/3031, **art. 2(3)(a)-(c)**)
 S. 257(5) amended (1997-98) by S.I. 1996/2952, **art. 2(3)(d)**
 S. 257(1)(2)(3) amended (1997-98) by 1997 c. 16, s. 55(2) (in place of S.I. 1996/2952, **art. 2(3)(a)-(c)**)
 S. 257 amended (1998-99) by S.I. 1998/755, **art. 2(3)**
 S. 257(1) amended (1999-00) by S.I. 1998/2704, **art. 2**
 S. 257(5) amended (1999-00) by S.I. 1999/597, **art. 2(3)(c)**
 S. 257(2)(3) amended (1999-00) by 1999 c. 16, s. 24(1) (in place of S.I. 1999/597, **art. 2(3)(a)(b)**)
 S. 257(1) amended (2000-01) by S.I. 1999/3038, **art. 2**
 S. 257(2)(3)(5) amended (2000-01) by S.I. 2000/806, **art. 2(3)**
 S. 257 amended (2001-02) by S.I. 2000/2996, **art. 2(2)**
 S. 257 amended (2002-03) by S.I. 2001/3773, **art. 2(2)**
 S. 257(1) amended (2003-04) by 2002 c. 23, s. 28(1)
 S. 257(2)(3) amended (2003-04) by 2002 c. 23, s. 29(1)
 S. 257(5) amended (2003-04) by S.I. 2002/2930, **art. 2(2)**
 S. 257(1)(5) amended (2004-05) by S.I. 2003/3215, **art. 2(2)(a)(d)**
 S. 257(2)(3) amended (2004-05) by 2004 c. 12, s. 24(1) (in place of S.I. 2003/3215, **art. 2(2)(b)(c)**)
 S. 257(1)(5) amended (2005-06) by S.I. 2004/3161, **art. 2(2)(a)(d)**
 S. 257(2)(3) amended (2005-06) by 2005 c. 7, s. 9(1) (in place of S.I. 2004/3161, **art. 2(2)(b)(c)**)
 S. 257(1)(2)(3)(5) amended (2006-07) by S.I. 2005/3327, **art. 2(2)**
 S. 257(1)(2)(3)(5) amended (2007-08) by S.I. 2006/3241, **art. 2(2)**
 S. 257(5) amended (2008-09) by S.I. 2008/673, **art. 2(3)(d)**
 S. 257(1)(2)(3) amended (2008-09) by 2008 c. 9, ss. 2(1)(b), 3(1) (in place of S.I. 2008/673, **art. 2(3)(a)-(c)**)
 S. 257(2)(3)(5) amended (2009-10) by S.I. 2008/3024, **art. 2(b)(ii)-(iv)**
 S. 257(1) amended (2009-10) by 2009 c. 10, s. 3(1)(b) (in place of S.I. 2008/3024, **art. 2(b)(i)**)
- C3** S. 257(5) modified (6.4.2006) by **Finance Act 2004 (c. 12), ss. 192(5), 284(1)** (with Sch. 36)

[^{F20}257AA Children's tax credit.

^{F21}

Textual Amendments

- F20** S. 257AA inserted (with effect in accordance with s. 30(5) of the amending Act) by **Finance Act 1999 (c. 16), s. 30(1)**

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F21 S. 257AA repealed (6.4.2003) by Tax Credits Act 2002 (c. 21), s. 61, Sch. 6; S.I. 2003/962, art. 2(3) (e), Sch. 1 (with arts. 3, 5)

257A Married couple's allowance^{F22}(pre-5th December 2005 marriages)].

- (1)^{F23}
- (2) [^{F24}If the claimant is, for the whole or any part of the year of assessment, a married man whose wife is living with him [^{F25}and whose marriage was entered into before 5th December 2005], and] either of them [^{F26}was born before 6th April 1935], he shall [^{F27}(subject to subsection (3A) below)] be entitled [^{F28}for that year to [^{F29}a tax reduction] calculated by reference to £2,665]
- (3) [^{F24}If the claimant is, for the whole or any part of the year of assessment, a married man whose wife is living with him [^{F30}and whose marriage was entered into before 5th December 2005], and] either of them
 - [^{F31}(a) is at any time within that year of the age of [^{F32}75] or upwards, [^{F33} and
 - (b) was born before 6th April 1935,]he shall [^{F34}(subject to subsection (3A) below)] be entitled [^{F35}for that year to [^{F29}a tax reduction] calculated by reference to £2,705 (instead of to the reduction] provided for by subsection ^{F36}. . . (2) above).

[^{F37}(3A) Subsections (2) and (3) above shall not apply in relation to the claimant for any year of assessment if an election made by the claimant and his wife under section 257AB(1) (c) has effect for that year.]

- (4) For the purposes of [^{F38}subsection (3)] above a person who would have been of or over [^{F39}the age of 75] within the year of assessment if he had not died in the course of it shall be treated as having been of that age within that year.
- (5) In relation to a claimant whose [^{F40}adjusted net income] for the year of assessment exceeds [^{F41}£12,300], subsections (2) and (3) above shall apply as if the amounts specified in them were reduced by—
 - (a) [^{F32}one half] of the excess, less
 - (b) any reduction made in his allowance under section 257 by virtue of subsection (5) of that section,

^{F42}

[^{F43}(5A) The amounts specified in subsections (2) and (3) above shall not by virtue of subsection (5) above be treated as reduced below [^{F44}the minimum amount].]

- (6) A man shall not be entitled by virtue of this section to more than one [^{F45}tax reduction] for any year of assessment; and in relation to a claim by a man who becomes married in the year of assessment and has not previously in the year been entitled to relief under this section, this section shall have effect as if the amounts specified in [^{F46}subsections (2) and (3)] above were reduced by one twelfth for each month of the year ending before the date of the marriage.

In this subsection “month” means a month beginning with the 6th day of a month of the calendar year.

[^{F47}(6A) A tax reduction under this section is given effect at Step 6 of the calculation in section 23 of ITA 2007.]

[^{F48}(7) ^{F49}

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- (8) ^{F49}
- (9) ^{F49}]

Textual Amendments

- F22** Words in s. 257A heading inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 51(5)**
- F23** S. 257A(1) repealed (with effect as mentioned in s. 31(10), Sch. 20 Pt. 3(3) Note 2 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(2)**, Sch. 20 Pt. 3(3)
- F24** Words in s. 257A(2)(3) substituted (with effect in as mentioned in s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), **Sch. 20 para. 14(3)**
- F25** Words in s. 257A(2) inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 51(2)(a)**
- F26** Words in s. 257A(2) substituted (with effect as mentioned in s. 31(10) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(3)(a)**
- F27** Words in s. 257A(2) inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 51(2)(b)**
- F28** Words in s. 257A(2) substituted (with effect as mentioned in s. 77(7) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), **s. 77(2)(b)**
- F29** Words in s. 257A(2)(3) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 30(2)** (with Sch. 2)
- F30** Words in s. 257A(3) inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 51(3)(a)**
- F31** Word in s. 257A(3) inserted (with effect as mentioned in s. 31(10) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(4)(a)**
- F32** 1989 s.33 for 1990-91 and subsequent years.
- F33** S. 257A(3)(b) and preceding word inserted (with effect as mentioned in s. 31(10) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(4)(b)**
- F34** Words in s. 257A(3) inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 51(3)(b)**
- F35** Words in s. 257A(3) substituted (with effect as mentioned in s. 77(7) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), **s. 77(2)(c)**
- F36** Words in s. 257A(3) repealed (with effect as mentioned in s. 31(10), Sch. 20 Pt. 3(3) Note 2 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(4)(c)**, Sch. 20 Pt. 3(3)
- F37** S. 257A(3A) inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 51(4)**
- F38** Words in s. 257A(4) substituted (with effect as mentioned in s. 31(10) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(5)(a)**
- F39** Words in s. 257A(4) substituted (with effect as mentioned in s. 31(10) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(5)(b)**
- F40** Words in s. 257A(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 30(3)** (with Sch. 2)
- F41** S.I. 1990 No.677, **arts.2(1)(4)** (in Part III Vol.5) for 1990-91.
- F42** Words in s. 257A(5) repealed (with effect as mentioned in s. 31(11), Sch. 20 Pt. 3(3) Note 1 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(6)**, Sch. 20 Pt. 3(3) (with s. 32(5))
- F43** S. 257A(5A) inserted (with effect as mentioned in s. 31(11) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **s. 31(7)** (with s. 32(5))
- F44** Words in s. 257A(5A) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by the [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 30(4)** (with Sch. 2)
- F45** Words in s. 257A(6) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 30(5)** (with Sch. 2)

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- F46** Words in s. 257A(6) substituted (with effect as mentioned in s. 31(10) of the amending Act) by Finance Act 1999 (c. 16), s. 31(8)
- F47** S. 257A(6A) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 30(6) (with Sch. 2)
- F48** S. 257A(7)-(9) inserted (with effect as mentioned in s. 31(12) of the amending Act) by Finance Act 1999 (c. 16), s. 31(9)
- F49** S. 257A(7)-(9) repealed (6.4.2003) by Tax Credits Act 2002 (c. 21), s. 61, Sch. 6; S.I. 2003/962, art. 2(3)(e), Sch. 1 (with arts. 3, 5)

Modifications etc. (not altering text)

- C4** Ss. 257A-262 restricted (with effect as mentioned in s. 77(7) of the restricting Act) by Finance Act 1994 (c. 9), Sch. 8 para. 4(1)
- C5** S. 257A(2)(3)(5) amended (1991-92) by S.I. 1991/732, art. 2(4)(b)-(d)
 S. 257A(1) amended (1991-92) by 1991 c. 31, s. 22(2) (in place of S.I. 1991/732, art. 2(4)(a))
 S. 257A(2)(3)(5) amended (1992-93) by S.I. 1992/622, art. 2(4)(b)-(d)
 S. 257A(1) amended (1992-93) by 1992 c. 20, s. 10(3)(5) (in place of S.I. 1992/622, art. 2(4)(a))
 S. 257A amounts specified (1993-94) by 1993 c. 34, s. 52 (in place of S.I. 1993/755, art. 2(4))
 S. 257A(1)(2)(3) amended (1994-95) by S.I. 1993/2948, art. 2(4)(a)-(c)
 S. 257A(5) amount specified (1994-95) 1994 c. 9, s. 78 (in place of S.I. 1993/2948, art. 2(4)(d))
 S. 257A(1)(2)(3) amended (1995-96) by 1994 c. 9, s. 77(9)
 S. 257A(5) amended (1995-96) by S.I. 1994/3012, art. 2(4)
 S. 257A amended (1996-97) by S.I. 1995/3031, art. 2(4)
 S. 257A amended (1997-98) by S.I. 1996/2952, art. 2(4)
 S. 257A amended (1998-99) by S.I. 1998/755, art. 2(4)
 S. 257A(2)(3) amended (1999-00) by 1998 c. 36, s. 27(2)
 S. 257A amended (1999-00) by S.I. 1999/597, art. 2(4)
 S. 257A amended (2000-01) by S.I. 2000/806, art. 2(4)
 S. 257A amended (2001-02) by S.I. 2000/2996, art. 2(3)
 S. 257A amended (2002-03) by S.I. 2001/3773, art. 2(3)
 S. 257A amended (2003-04) by S.I. 2002/2930, art. 2(3)
 S. 257A(2)(3)(5)(5A) amended (2004-05) by S.I. 2003/3215, art. 2(3)
 S. 257A(2)(3)(5)(5A) amended (2005-06) by S.I. 2004/3161, art. 2(3)
 S. 257A(2)(3)(5)(5A) amended (2006-07) by S.I. 2005/3327, art. 2(3)
 S. 257A(2)(3)(5)(5A) amended (2007-08) by S.I. 2006/3241, art. 2(3)
 S. 257A(2)(3)(5) amended (2008-09) by S.I. 2008/673, art. 2(4)
 S. 257A(2)(3)(5) amended (2009-10) by S.I. 2008/3024, art. 2(c)
- C6** S. 257A(5) modified (6.4.2006) by Finance Act 2004 (c. 12), ss. 192(5), 284(1) (with Sch. 36)

[^{F50}257A Married couple's allowance (post-5th December 2005 marriages and civil partnerships etc.)

- (1) This section applies if —
- the claimant is, for the whole or any part of the year of assessment, living with his spouse or civil partner,
 - either the claimant or his spouse or civil partner was born before 6th April 1935,
 - the marriage or civil partnership was entered into on or after 5th December 2005 or, if the marriage was entered into before that date, an election for this section to apply has effect for that year, and
 - the claimant's [^{F51}net income] for that year exceeds that of his spouse or civil partner or, if they have the same amount of [^{F51}net income] for that year, the

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claimant is specified in an election as the person to be entitled to relief under this section for that year.

- (2) The claimant shall be entitled for that year to [^{F52}a tax reduction]—
- (a) calculated by reference to £5,975 (if either the claimant or his spouse or civil partner is at any time within that year of the age of 75 or upwards), or
 - (b) calculated by reference to £5,905 (in any other case).
- (3) For the purposes of subsection (2)(a) above an individual who would have been of or over the age of 75 within the year of assessment if he had not died in the course of it shall be treated as having been of that age within that year.
- (4) In relation to a claimant whose [^{F53}adjusted net income] for the year of assessment exceeds £19,500, subsection (2) above applies as if the amounts specified in it were reduced by—
- (a) one half of the excess, less
 - (b) any reduction made in his allowance under section 257 by virtue of subsection (5) of that section.
- (5) The amounts specified in subsection (2) above shall not by virtue of subsection (4) above be treated as reduced below [^{F54}the minimum amount].
- (6) An individual shall not be entitled by virtue of this section to more than one [^{F55}tax reduction] for any year of assessment.
- (7) In relation to a claim by an individual who —
- (a) becomes a spouse or civil partner in the year of assessment, and
 - (b) has not previously in the year been entitled to relief under this section,
- this section shall have effect as if the amounts specified in subsection (2) above were reduced by one twelfth for each month of the year ending before the date of the marriage or civil partnership.
- In this subsection “month” means a month beginning with the 6th day of a month of the calendar year.
- (8) An election under subsection (1)(c) —
- (a) shall be made jointly by the parties to the marriage,
 - (b) shall be made before the first year of assessment for which it is to have effect,
 - (c) shall have effect for that and each succeeding year of assessment for which any party to the marriage is entitled to relief under this section, and
 - (d) shall be irrevocable.
- (9) An election under subsection (1)(d) —
- (a) shall be made jointly by the parties to the marriage or civil partnership, and
 - (b) shall be made on or before the 5th anniversary of the 31st January next following the end of the year of assessment to which the election relates.

[A tax reduction under this section is given effect at Step 6 of the calculation in ^{F56}(10) section 23 of ITA 2007.]]

Textual Amendments

F50 S. 257AB inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 52**

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- F51** Words in s. 257AB(1)(d) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 31(2)** (with Sch. 2)
- F52** Words in s. 257AB(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 31(3)** (with Sch. 2)
- F53** Words in s. 257AB(4) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 31(4)** (with Sch. 2)
- F54** Words in s. 257AB(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 31(5)** (with Sch. 2)
- F55** Words in s. 257AB(6) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 31(6)** (with Sch. 2)
- F56** S. 257AB(10) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 31(7)** (with Sch. 2)

Modifications etc. (not altering text)

- C7** S. 257AB(2)(4)(5) amended (2006-07) by S.I. 2005/3327, **art. 2(4)**
 S. 257AB(2)(4)(5) amended (2007-08) by S.I. 2006/3241, **art. 2(4)**
 S. 257AB(2)(4) amended (2008-09) by S.I. 2008/673, **art. 2(5)**
 S. 257AB(2)(4) amended (2009-10) by S.I. 2008/3024, **art. 2(d)**

[^{F57}257B Elections as to transfer of relief under section 257A [^{F58}or 257AB].

- ^{F59}(1) An individual may elect that for any year of assessment for which the individual's spouse or civil partner is entitled to a tax reduction under section 257A or 257AB—
- (a) the individual shall be entitled (on making a claim) to a tax reduction calculated by reference to half the minimum amount, and
 - (b) the spouse or civil partner's appropriate amount shall be reduced by half the minimum amount.
- (2) An individual and the individual's spouse or civil partner may jointly elect that for any year of assessment for which the individual is entitled to a tax reduction under section 257A or 257AB—
- (a) the individual's spouse or civil partner shall be entitled (on making a claim) to a tax reduction calculated by reference to the minimum amount, and
 - (b) the individual's appropriate amount shall be reduced by the minimum amount.
- (3) An individual may elect that for any year of assessment for which the individual's spouse or civil partner is entitled to a tax reduction by virtue of an election under subsection (2) above—
- (a) the individual shall be entitled (on making a claim) to a tax reduction calculated by reference to half the minimum amount (in addition to any tax reduction to which the individual is already entitled under section 257A or 257AB), and
 - (b) the tax reduction to which the spouse or civil partner is entitled by virtue of that election shall be calculated by reference to half the minimum amount (instead of by reference to the minimum amount).]

[In this section “the appropriate amount” means the amount by reference to which the ^{F60}(3A) calculation of the tax reduction is to be made.]

- (4) An election under this section shall be made by giving notice to the inspector in such form as the Board may determine and—

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- (a) subject to subsections (5) and (7) below, shall be made before the first year of assessment for which it is to have effect, and
- (b) shall have effect for that and each succeeding year of assessment for which [^{F61}the individual concerned] is entitled to relief under section 257A [^{F62}or 257AB], subject to its withdrawal under subsection (8) below or a subsequent election under this section.
- (5) An election may be made during the first year of assessment for which it is to have effect if that is the year of assessment in which the marriage [^{F63}or civil partnership] takes place.
- (6) ^{F64}
- (7) An election may be made within the first thirty days of the first year of assessment for which it is to have effect if before that year the inspector has been given written notification that it is intended to make the election.
- (8) The person or persons by whom an election was made may withdraw it by giving notice to the inspector in such form as the Board may determine; but the withdrawal shall not have effect until the year of assessment after the one in which the notice is given.
- (9) [^{F65}An individual] shall not be entitled by virtue of an election under this section to more than one [^{F66}tax reduction] for any year of assessment.
- [A tax reduction under this section is given effect at Step 6 of the calculation in ^{F67}(10) section 23 of ITA 2007.]

Textual Amendments

- F57** Ss. 257BA, 257BB substituted for s. 257B (16.7.1992 with application in relation to tax for the year 1993-94 and subsequent years of assessment) by Finance (No. 2) Act 1992 (c. 48), s. 20, Sch. 5 paras.2, 10.
- F58** Words in s. 257BA heading inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), 53(9)
- F59** S. 257BA(1)-(3) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 32(2) (with Sch. 2 paras. 14, 16(1)(4), 17(1)(5))
- F60** S. 257BA(3A) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 32(3) (with Sch. 2 paras. 14, 16(1)(4), 17(1)(5))
- F61** Words in s. 257BA(4)(b) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), 53(5) (a)
- F62** Words in s. 257BA(4)(b) inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), 53(5)(b)
- F63** Words in s. 257BA(5) inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), 53(6)
- F64** S. 257BA(6) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 32(4), Sch. 3 Pt. 1 (with Sch. 2 paras. 14, 16(1)(4), 17(1)(5))
- F65** Words in s. 257BA(9) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), 53(8)
- F66** Words in s. 257BA(9) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 32(5) (with Sch. 2 paras. 14, 16(1)(4), 17(1)(5))
- F67** S. 257BA(10) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 32(6) (with Sch. 2 paras. 14, 16(1)(4), 17(1)(5))

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Modifications etc. (not altering text)

C8 S. 257B-262 restricted (with effect as mentioned in s. 77(7) of the amending Act) by Finance Act 1994 (c. 9), Sch. 8 para. 4(1)

^{F69}257BB Transfer of relief under section 257A where relief exceeds income^{F68} or 257AB.]

^{F70}(1) Where—

- (a) an individual is entitled to a tax reduction under section 257A or 257AB, but
- (b) the amount of the tax reduction to which the individual is entitled is greater than the individual's comparable tax liability,

the individual's spouse or civil partner shall be entitled (in addition to any tax reduction to which that spouse or civil partner is entitled by virtue of an election under section 257BA) to a tax reduction equal to the unused part of the individual's MCA tax reductions.]

^{F71}(1A) The individual's MCA tax reductions are the sum of—

- (a) the tax reduction to which the individual is entitled under section 257A or 257AB, and
- (b) any tax reduction to which the individual is entitled by virtue of an election under section 257BA(3).

(1B) The unused part of the individual's MCA tax reductions is equal to—

- (a) the individual's MCA tax reductions, less
- (b) the individual's comparable tax liability.]

(2) Subsection (1) above shall not apply for a year of assessment unless the claimant's ^{F72}spouse or civil partner] gives notice to the inspector that it is to apply.

^{F73}(3) Where—

- (a) an individual is entitled to a tax reduction by virtue of an election under section 257BA, but
- (b) the amount of the tax reduction to which the individual is entitled is greater than the individual's comparable tax liability,

the individual's spouse or civil partner shall be entitled (in addition to any tax reduction to which that spouse or civil partner is entitled by virtue of section 257A or 257AB) to a tax reduction equal to the unused part of the individual's tax reduction.]

^{F74}(3AA) The unused part of the individual's tax reduction is equal to—

- (a) the tax reduction to which the individual is entitled by virtue of the election under section 257BA, less
- (b) the individual's comparable tax liability.]

(3A) ^{F75}.....

(4) Subsection (3) above shall not apply for a year of assessment unless the claimant's ^{F76}spouse or civil partner] gives notice to the inspector that it is to apply.

(5) Any notice under subsection (2) or (4) above—

- (a) shall be given on or before the fifth anniversary of the 31st January next following the end of the year of assessment to which it relates,
- (b) shall be in such form as the Board may determine, and
- (c) shall be irrevocable.

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- [^{F77}(5A) For the purposes of this section, the comparable tax liability of an individual is the amount of the individual's tax left after Step 6 of the calculation in section 23 of ITA 2007, making that calculation with the modifications set out in subsections (5B) and (5C).
- (5B) In making that calculation, do not deduct any tax reduction under—
- (a) section 788 (double taxation arrangements: relief by agreement), or
 - (b) section 790(1) (relief for foreign tax where there are no double taxation arrangements).
- (5C) If the individual's entitlement to a tax reduction under section 257A, 257AB, 257BA or this section is extinguished under section 423(4) of ITA 2007 (gift aid: restriction of reliefs) to any extent, deduct from the amount calculated in accordance with subsections (5A) and (5B) the amount by which the tax reduction is reduced.
- (5D) For the purposes of this section a person is treated as being entitled to a tax reduction under section 788 if the person is entitled to credit against income tax under arrangements which have effect under that section.
- (5E) A tax reduction under this section is given effect at Step 6 of the calculation in section 23 of ITA 2007.]
- (6) ^{F78}

Textual Amendments

- F68** Words in s. 257BB heading inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1)**, 54(6)
- F69** [Ss. 257BA, 257BB](#) substituted for s. 257B (16.7.1992 with application in relation to tax for the year 1993-94 and subsequent years of assessment) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 20, **Sch. 5 paras.2, 10**.
- F70** [S. 257BB\(1\)](#) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(2)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F71** [S. 257BB\(1A\)\(1B\)](#) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(3)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F72** Words in [s. 257BB\(2\)](#) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1)**, 54(3)
- F73** [S. 257BB\(3\)](#) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(4)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F74** [S. 257BB\(3AA\)](#) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(5)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F75** [S. 257BB\(3A\)](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(6)**, **Sch. 3 Pt. 1** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F76** Words in [s. 257BB\(4\)](#) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1)**, 54(5)
- F77** [S. 257BB\(5A\)-\(5E\)](#) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(7)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F78** [S. 257BB\(6\)](#) repealed (with effect as mentioned in s. 77(7) of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), **Sch. 8 para. 3(4)**, **Sch. 26 Pt. 5(1)**, Note

Modifications etc. (not altering text)

- C9** [S. 257B-262](#) restricted (with effect as mentioned in s. 77(7) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), **Sch. 8 para. 4(1)**

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C10 S. 257BB(5) modified (1992-93, 1993-94 and 1994-5) by [The Lloyd's Underwriters \(Tax\) \(1992-93 to 1996-97\) Regulations 1995 \(S.I. 1995/352\)](#), regs. 1, 14, 15, [Sch.](#)

257C Indexation of amounts in [^{F83}sections 256B, 257][^{F84}, 257A and 257AB].

- (1) If the retail prices index for the month of [^{F85}September] preceding a year of assessment is higher than it was for the previous [^{F85}September], then, unless Parliament otherwise determines, [^{F86}sections 256B, 257]^{F87} . . . [^{F88}, 257A and 257AB] shall apply for that year as if for each amount specified in them as they applied for the previous year (whether by virtue of this section or otherwise) there were substituted an amount arrived at by increasing the amount for the previous year by the same percentage as the percentage increase in the retail prices index, and—
- if in the case of an amount specified in sections 257(5) [^{F89}, 257A(5) and 257AB(4)] the result is not a multiple of £100, rounding it up to the nearest amount which is such a multiple;
 - if in the case of any other amount the increase is not a multiple of £10, rounding the increase up to the nearest amount which is such a multiple.

^{F90}(2)

[^{F91}(2A) Subsection (1) above shall not require any change to be made in the amounts deductible or repayable under [^{F92}PAYE regulations] during the period beginning with 6th April and ending with 17th May in the year of assessment.]

- (3) The Treasury shall in each year of assessment make an order specifying the amounts which by virtue of subsection (1) above will be treated as specified for the following year of assessment in [^{F86}sections 256B, 257]^{F87} . . . [^{F93}, 257A and 257AB].

[^{F94}(4) *This section shall have effect in relation to reliefs for the year 1990-91 (as well as for later years); and for that purpose it shall be assumed that sections 257 and 257A applied for the year 1989-90 as they apply, apart from this section, for the year 1990-91.*]

Textual Amendments

- F83** Words in s. 257C sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 34\(3\)](#) (with [Sch. 2](#))
- F84** Words in s. 257C sidenote substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\), 55\(d\)](#)
- F85** Words in s. 257C(1) substituted (27.7.1993 with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, [s. 107\(3\)\(a\)\(8\)](#)
- F86** Words in s. 257C(1)(3) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 34\(2\)](#) (with [Sch. 2](#))
- F87** Words in s. 257C(1)(3) repealed (6.4.2003) by [Tax Credits Act 2002 \(c. 21\)](#), s. 61, [Sch. 6](#); S.I. 2003/962, art. 2(3)(e), [Sch. 1](#) (with arts. 3, 5)
- F88** Words in s. 257C(1) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\), 55\(a\)](#)
- F89** Words in s. 257C(1)(a) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\), 55\(b\)](#)
- F90** S. 257C(2) repealed (27.7.1993 with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, ss. 107(3)(b)(8), 213, [Sch. 23 Pt. III](#)

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- F91** S. 257C(2A) inserted (1999-00 and subsequent years of assessment) by Finance Act 1999 (c. 16), s. 25(3)(4)
- F92** Words in s. 257C(2A) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 35 (with Sch. 7)
- F93** Words in s. 257C(3) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), 55(c)
- F94** Repealed by 1990 s.132 and Sch.19 Part IV.

Modifications etc. (not altering text)

- C12** S. 257B-262 restricted (with effect as mentioned in s. 77(7) of the amending Act) by Finance Act 1994 (c. 9), Sch. 8 para. 4(1)
- C13** S. 257C applied (2000-01 and subsequent years of assessment) by Finance Act 1999 (c. 16), s. 32(5)
- C14** S. 257C(1) excluded (1991-92) by Finance Act 1991 (c. 31, SIF 63:1), s. 22(1)
 S. 257C(1) excluded (1992-93) by Finance Act 1992 (c. 20), s. 10(3)(5)
 S. 257C(1) excluded (1993-94) by Finance Act 1993 c. 34, s. 52
 S. 257C(1) excluded (1994-95) by Finance Act 1994 (c. 9), s. 76
 S. 257C(1) excluded (1994-95, 1995-96) by Finance Act 1994 (c. 9), s. 77(10)
 S. 257C(1) excluded (1994-95) by Finance Act 1994 (c. 9), s. 78
 S. 257C(1) excluded (1995-96) by Finance Act 1995 (c. 4), s. 36
 S. 257C(1) excluded (1996-97) by Finance Act 1996 (c. 8), s. 74(1)
 S. 257C(1) excluded (1997-98) by Finance Act 1997 (c.16), s. 55(1)
 S. 257C(1) excluded (1999-00) by Finance Act 1999 (c. 16), s. 24(2)
 S. 257C(1) excluded (2003-04) by Finance Act 2002 (c. 23), ss. 28(2), 29(2)
 S. 257C(1) excluded (2004-05) by Finance Act 2004 (c. 12), s. 24(2)
 S. 257C(1) excluded (2005-06) by Finance Act 2005 (c. 7), s. 9
 S. 257C excluded (2008-09) by Finance Act 2008 (c. 9), ss. 2(2)(b), 3(2)(b)
 S. 257C excluded (2009-10) by Finance Act 2009 (c. 10), s. 3(2)(b)
- C15** S. 257C(2A) modified (2002-03) by Finance Act 2002 (c. 23), s. 27(b)
- C16** See S.I. 1990 No.677 in Part III Vol.5 for 1990-91.

257D Transitional relief: husband with excess allowances.

F95

Textual Amendments

- F95** Ss. 257D-257F repealed (with effect in accordance with s. 32(4), Sch. 20 Pt. 3(3) Note of the repealing Act) by Finance Act 1999 (c. 16), s. 32(2), Sch. 20 Pt. 3(3)

257E Transitional relief: the elderly.

F96

Textual Amendments

- F96** Ss. 257D-257F repealed (with effect in accordance with s. 32(4), Sch. 20 Pt. 3(3) Note of the repealing Act) by Finance Act 1999 (c. 16), s. 32(2), Sch. 20 Pt. 3(3)

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257F Transitional relief: separated couples.

F97

Textual Amendments

F97 Ss. 257D-257F repealed (with effect in accordance with s. 32(4), Sch. 20 Pt. 3(3) Note of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), s. 32(2), **Sch. 20 Pt. 3(3)**

^{F98}258 Widower's or widow's housekeeper.

.....

Textual Amendments

F98 S. 258 repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 25(3), **Sch.14 Part IV**

259 Additional relief in respect of children.

F99

Textual Amendments

F99 Ss. 259-261A repealed (with effect in accordance with s. 33(2), Sch. 20 Pt. 3(4) Note of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), s. 33(1), **Sch. 20 Pt. 3(4)**

260 Apportionment of relief under section 259.

F100

Textual Amendments

F100 Ss. 259-261A repealed (with effect in accordance with s. 33(2), Sch. 20 Pt. 3(4) Note of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), s. 33(1), **Sch. 20 Pt. 3(4)**

261 Claims under section 259 for year of marriage.

F101

Textual Amendments

F101 Ss. 259-261A repealed (with effect in accordance with s. 33(2), Sch. 20 Pt. 3(4) Note of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), s. 33(1), **Sch. 20 Pt. 3(4)**

[^{F102}261A Additional relief in respect of children for year of separation.

F103]

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Textual Amendments

F102 S. 261A inserted (16.7.1992 with application in relation to tax for the year 1993-94 and subsequent years of assessment) by [Finance \(No. 2\) Act 1992 \(c. 48\), s. 20, Sch. 5 paras.6, 10.](#)

F103 Ss. 259-261A repealed (with effect in accordance with s. 33(2), Sch. 20 Pt. 3(4) Note of the repealing Act) by [Finance Act 1999 \(c. 16\), s. 33\(1\), Sch. 20 Pt. 3\(4\)](#)

262 Widow's bereavement allowance.

F104

Textual Amendments

F104 S. 262 repealed (with effect in accordance with s. 34(2), Sch. 20 Pt. 3(5) Note 1 of the repealing Act) by [Finance Act 1999 \(c. 16\), s. 34\(1\), Sch. 20 Pt. 3\(5\)](#) (with s. 34(3))

^{F105}263 Dependent relatives.

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Textual Amendments

F105 S. 263 repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\), s. 25\(3\), Sch.14 Part IV](#)

^{F106}264 Claimant depending on services of a son or daughter.

.

Textual Amendments

F106 S. 264 repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\), s. 25\(3\), Sch.14 Part IV](#)

[^{F107}265 Blind person's allowance.

- (1) If the claimant ^{F108}. . . is a registered blind person for the whole or any part of the year of assessment, he shall be entitled to a [^{F109}blind person's allowance] of [^{F110}£1,280]^{F111}. . . .

[Section 257C (indexation) shall have effect (using the rounding up rule in ^{F112}(1A) subsection (1)(b) of that section) for the application of this section for the year 1998-99 and any subsequent year of assessment as it has effect for the application of sections 257 and 257A.]

- (2) Where—

- (a) a person entitled to [^{F113}an allowance under subsection (1) above] is a [^{F114}person whose spouse or civil partner] is living with him for the whole of any part of the year of assessment, but
- [^{F115}(b) the amount to which the person is entitled exceeds the person's remaining relievable income,]

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his ^{F116}spouse or civil partner] shall be entitled to ^{F117}an allowance] of an amount equal to the excess.

- [The person's remaining relievable income is the amount found by—
- ^{F118}(2A) (a) taking the amount of the individual's net income, and
 (b) subtracting any personal allowance to which the person is entitled.]
- (3) ^{F119}
- (4) ^{F120}
- (5) ^{F121}Subsection (2)] above shall not apply for a year of assessment unless the person entitled to ^{F122}an allowance] under subsection (1) has given to the inspector written notice that ^{F123}it is] to apply; and any such notice—
- (a) shall be given ^{F124}on or before the fifth anniversary of the 31st January next following] the end of the year of assessment to which it relates,
- (b) shall be in such form as the Board may determine, and
- (c) shall be irrevocable.
- (6) A notice given under subsection (5) above in relation to a year of assessment by ^{F125}a spouse or civil partner] shall have effect also as a notice under ^{F126}section 257BB(2)].
- (7) In this section “registered blind person” means a person registered as a blind person in a register compiled under section 29 of the National Assistance Act 1948 or, in the case of a person ordinarily resident in Scotland or Northern Ireland, a person who is a blind person within the meaning of section 64(1) of that Act].
- ^{F127}(8) An allowance under this section is given effect at Step 3 of the calculation in section 23 of ITA 2007.]

Textual Amendments

F107 1988(F) s.35 and Sch.3 para.8 for 1990-91 and subsequent years. *Previously*

“Relief for blind persons. **265.**—(1) Subject to subsection (3) below, if the claimant proves—(a) that he is a married man who for the year of assessment has his wife living with him, and that one of them was, and the other was not, a registered blind person for the whole or part of the year; or (b) that, not being such a married man, he was a registered blind person for the whole or part of the year, he shall be entitled to a deduction of £540 from his total income. (2) Subject to subsection (3) below, if the claimant proves—(a) that he is a married man who for the year of assessment has his wife living with him, and (b) that he was a registered blind person for the whole or part of the year and his wife was also a registered blind person for the whole or part of the year, he shall be entitled to a deduction of £1,080 from his total income. (3) *Unless a claimant who is entitled to relief for the year of assessment under section 264 in respect of the services of a son or daughter relinquishes his claim to that relief, he shall not be allowed relief under this section for that year (Repealed by 1988(F) ss.25(3), 148 and Sch.14 Part IV for 1988-89 and subsequent years.)* (4) In this section “registered blind person” means a person registered as a blind person in a register compiled under section 29 of the National Assistance Act 1948 or, in the case of a person ordinarily resident in Scotland or in Northern Ireland, a person who is a blind person within the meaning of section 64(1) of that Act.” *And see Table E Vol.1 for previous years.*

F108 Words in s. 265(1) repealed (with effect as mentioned in s. 134(2) of the repealing Act) by Finance Act 1996, Sch. 20 para. 19, Sch. 41 Pt. 5(10), Note

F109 Words in s. 265(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 35\(2\)\(a\)](#) (with [Sch. 2 paras. 14, 15\(1\)\(3\)](#))

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- F110** Words in s. 265(1) substituted (with effect in accordance with s. 56(3) of the amending Act) by Finance Act 1997 (c. 16), **s. 56(1)**
- F111** Words in s. 265(1) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act by Income Tax Act 2007 (c. 3), Sch. 1 para. 35(2)(b), Sch. 3 Pt. 1 (with Sch. 2 paras. 14, **15(1)(3)**)
- F112** S. 265(1A) inserted (19.3.1997) by Finance Act 1997 (c. 16), **s. 56(2)**
- F113** Words in s. 265(2)(a) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 35(3)(a)** (with Sch. 2 paras. 14, 15(1)(3))
- F114** Words in s. 265(2)(a) substituted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), **regs. 1(1), 56(2)**
- F115** S. 265(2)(b) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 35(3)(b)** (with Sch. 2 paras. 14, 15(1)(3))
- F116** Words in s. 265(2)(b) substituted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), **regs. 1(1), 56(3)(a)**
- F117** Words in s. 265(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 35(3)(c)** (with Sch. 2 paras. 14, 15(1)(3))
- F118** S. 265(2A) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 35(4)** (with Sch. 2 paras. 14, 15(1)(3))
- F119** S. 265(3) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 35(5), Sch. 3 Pt. 1 (with Sch. 2 paras. 14, **15(1)(3)**)
- F120** S. 265(4) omitted (5.12.2005) by virtue of The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), **regs. 1(1), 56(4)**
- F121** Words in s. 265(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 35(6)(a)** (with Sch. 2 paras. 14, 15(1)(3))
- F122** Words in s. 265(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 35(6)(b)** (with Sch. 2 paras. 14, 15(1)(3))
- F123** Words in s. 265(5) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 35(6)(c)** (with Sch. 2 paras. 14, 15(1)(3))
- F124** Words in s. 265(5)(a) substituted (with effect as mentioned in s. 135(2) of the amending Act) by Finance Act 1996, Sch. 21 para. 6
- F125** Words in s. 265(6) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), **regs. 1(1), 56(6)**
- F126** Words in s. 265(6) substituted (16.7.1992 with application in relation to tax for the year 1993-94 and subsequent years of assessment) by Finance (No. 2) Act 1992 (c. 48), s. 20, Sch. 5 paras. 8(4), **10**.
- F127** S. 265(8) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 35(7)** (with Sch. 2 paras. 14, 15(1)(3))

Modifications etc. (not altering text)

- C17** S. 265(1) amended (1999-00) by S.I. 1999/597, **art. 2(5)**
 S. 265(1) amended (2000-01) by S.I. 2000/806, **art. 2(5)**
 S. 265(1) amended (2001-02) by S.I. 2001/638, **art. 2(3)**
 S. 265(1) amended (2002-03) by S.I. 2002/707, **art. 2(4)**
 S. 265(1) amended (2003-04) by S.I. 2002/2930, **art. 2(4)**
 S. 265(1) amended (2004-05) by S.I. 2003/3215, **art. 2(4)**
 S. 265(1) amended (2005-06) by S.I. 2004/3161, **art. 2(4)**
 S. 265(1) amended (2006-07) by S.I. 2005/3327, **art. 2(5)**
 S. 265(1) amended (2007-08) by S.I. 2006/3241, **art. 2(5)**
 S. 265(1) amended (2008-09) by S.I. 2008/673, **art. 3**
 S. 265(1) amended (2009-10) by S.I. 2008/3024, **art. 3**
- C18** S. 265(5) modified (1990-91) by The Lloyd's Underwriters (Tax) (1990-91) Regulations 1993 (S.I. 1993/415), regs. 1, 9, **Sch. 2**
- C19** S. 265(5) modified (1991-92) by The Lloyd's Underwriters (Tax) (1991-92) Regulations 1994 (S.I. 1994/728), regs. 1, 9, **Sch. 2**

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S. 265(5) modified (1992-93, 1993-94 and 1994-5) by [The Lloyd's Underwriters \(Tax\) \(1992-93 to 1996-97\) Regulations 1995 \(S.I. 1995/352\)](#), regs. 1, 14, 15, [Sch.](#)

266 Life assurance premiums.

- (1) ^{M2}Subject to the provisions of this section, [^{F128}section 274 and Schedules 14 and 15 and sections 192 to 194 of the Finance Act 2004,] an individual who pays any such premium as is specified in subsection (2) below or makes a payment falling within subsection (7) below shall (without making any claim) be entitled to relief under this section.
- (2) ^{M3}The premiums referred to in subsection (1) above are any premiums paid by an individual under a policy of insurance or contract for a deferred annuity, where—
 - (a) the payments are made to —
 - ^{F129}(i) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 or under paragraph 15 of Schedule 3 to that Act (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to effect or carry out contracts of long-term insurance; or
 - (ii) a member of the Society who effects or carries out contracts of long-term insurance in accordance with Part 19 of the Financial Services and Markets Act 2000;]
 - (iv) in the case of a deferred annuity, the National Debt Commissioners; and
 - (b) the insurance or, as the case may be, the deferred annuity is on the life of the individual or on the life of his spouse [^{F130}or civil partner]; and
 - (c) the insurance or contract was made by him or his spouse [^{F130}or civil partner].
- (3) Subject to subsections (7), (10) and (11) below, no relief under this section shall be given—
 - (a) ^{M4}except in respect of premiums payable under policies for securing a capital sum on death, whether in conjunction with any other benefit or not;
 - (b) ^{M5}in respect of premiums payable under any policy issued in respect of an insurance made after 19th March 1968 unless the policy is a qualifying policy;
 - (c) ^{M6}in respect of premiums payable under any policy issued in respect of an insurance made after 13th March 1984 ^{F131}. . . ;
 - (d) ^{M7}in respect of premiums payable during the period of deferment in respect of a policy of deferred assurance.
- (4) ^{M8}Subject to [^{F132}subsections (7) and (8)] below, relief under this section in respect of any premiums paid by an individual in a year of assessment shall be given by making good to the person to whom they are paid any deficiency arising from the deductions authorised under subsection (5) below; and this section and Schedule 14 shall have effect in relation to any premium or part of a premium which is paid otherwise than in the year of assessment in which it becomes due and payable as if it were paid in that year.
- (5) Subject to the provisions of Schedule 14—
 - (a) an individual resident in the United Kingdom who is entitled to relief under this section in respect of any premium may deduct from any payment in respect of the premium and retain an amount equal to [^{F133}12.5 per cent.] of the payment; and

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- (b) the person to whom the payment is made shall accept the amount paid after the deduction in discharge of the individual's liability to the same extent as if the deduction had not been made and may recover the deficiency from the Board.
- (6) ^{F134}
- (6A) ^{F134}
- (7) ^{M9}Where a person makes a payment to a trade union as defined in section 28(1) of the ^{M10}Trade Union and Labour Relations Act 1974, and part of that payment is attributable to the provision of superannuation, life insurance or funeral benefits, he shall be entitled to relief under this section in respect of that part of the payment, but—
- (a) subsection (4) above shall not apply; and
- (b) [^{F135}in calculating his net income there shall be deducted] an amount equal to one-half of that part of the payment.

This subsection shall also apply in relation to any payment made to an organisation of persons in police service but only where the annual amount of the part of the payment attributable to the provision of the benefits in question is £20 or more.

- (8) ^{M11}Where the individual is not resident in the United Kingdom [^{F136}and is entitled] to relief by virtue of section 278(2) [^{F137}or (2ZA)], subsection (4) above shall not apply but ^{F138} . . . the like relief shall be given to him under paragraph 6 of Schedule 14.
- (9) ^{M12}Subsections (5) and (8) above shall apply in relation to an individual who is not resident in the United Kingdom but is a member of the armed forces of the Crown or the [^{F139}spouse][^{F140}or civil partner] of such a member as if the individual were so resident.
- (10) ^{M13}Subsection (3)(b) above shall not apply—
- (a) to any policy of life insurance having as its sole object the provision on an individual's death or disability of a sum substantially the same as any amount then outstanding under a mortgage of his residence, or of any premises occupied by him for the purposes of a business, being a mortgage the principal amount secured by which is repayable by instalments payable annually or at shorter regular intervals; or
- (b) to any policy of life insurance issued in connection with an approved scheme as defined in Chapter I of Part XIV.

In the application of this subsection to Scotland, for any reference to a mortgage there shall be substituted a reference to a heritable security within the meaning of the ^{M14}Conveyancing (Scotland) Act 1924 (but including a security constituted by ex facie absolute disposition or assignation).

- (11) ^{M15}Subsection (3)(a) and (d) above shall not affect premiums payable—
- (a) under policies or contracts made in connection with any superannuation or bona fide pension scheme for the benefit of the employees of any employer, or of persons engaged in any particular trade, profession, vocation or business, or for the benefit of the [^{F141}spouse, [^{F142}civil partner,] widow, widower [^{F143}, surviving civil partner] or children or other dependants of any such employee or person,] or
- (b) under policies taken out by teachers in the schools known in the year 1918 as secondary schools, pending the establishment of a superannuation or pension scheme for those teachers.

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(12) Schedule 14 shall have effect for the purpose of modifying, for certain cases, and supplementing the provisions of this section.

[^{F144}(13) In ^{F145} . . . Schedule 14, “friendly society” means the same as in the Friendly Societies Act 1992 (and includes any society that by virtue of section 96(2) of that Act is to be treated as a registered friendly society within the meaning of that Act).]

[^{F146}(14) In subsection (2)(a)—
“contracts of long-term insurance” means contracts which fall within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; and
“member of the society” has the same meaning as in Lloyd’s Act 1982 ^{M16}.]

Textual Amendments

- F128** Words in s. 266(1) substituted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), **Sch. 35 para. 9** (with Sch. 36)
- F129** S. 266(2)(a)(i)(ii) substituted for s. 266(2)(a)-(iii) (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), **art. 18(2)**
- F130** Words in s. 266(2)(b)(c) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), **regs. 1(1), 57(2)**
- F131** Words in s. 266(3)(c) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 36(2), Sch. 3 Pt. 1** (with Sch. 2)
- F132** Words in s. 266(4) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 36(3)** (with Sch. 2)
- F133** Words in s. 266(5)(a) substituted (from 6.4.1989) by Finance Act 1988 (c. 39), **s. 29**
- F134** S. 266(6)(6A) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 36(4), Sch. 3 Pt. 1** (with Sch. 2)
- F135** Words in s. 266(7)(b) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 36(5)** (with Sch. 2)
- F136** Words in s. 266(8) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 36(6)(a)** (with Sch. 2)
- F137** Words in s. 266(8) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 36(6)(b)** (with Sch. 2)
- F138** Words in s. 266(8) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 36(6)(c), Sch. 3 Pt. 1** (with Sch. 2)
- F139** Words in s. 266(9) substituted (1990-91 and subsequent years) by Finance Act 1988 (c. 39), s. 35, **Sch. 3 para. 9(a)**
- F140** Words in s. 266(9) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), **regs. 1(1), 57(3)**
- F141** Words in s. 266(11)(a) substituted (1990-91 and subsequent years) by Finance Act 1988 (c. 39), s. 35, **Sch. 3 para. 9(b)**
- F142** Words in s. 266(11)(a) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), **regs. 1(1), 57(4)(a)**
- F143** Words in s. 266(11)(a) inserted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), **regs. 1(1), 57(4)(b)**
- F144** S. 266(13) inserted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, **Sch. 9 paras. 2(3)**; S.I. 1993/236, **art.2**
- F145** Words in s. 266(13) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 36(7), Sch. 3 Pt. 1** (with Sch. 2)

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F146 S. 266(14) added (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), [art. 18\(3\)](#)

Marginal Citations

- M2** Source-1970 s.19(1); 1976 Sch.4 3(1)
M3 Source-1970 s.19(2); 1976 s.36(5), Sch.4 3(2)
M4 Source-1970 s.19(3)(a)
M5 Source-1970 s.19(4)
M6 Source-1984 s.72(1)
M7 Source-1970 s.19(3)(b)
M8 Source-1976 Sch.4 4(1) 5; 1978 Sch.3 2; 1980 s.29(2)(b)
M9 Source-1978 Sch.3 12; 1981 s.33
M10 [1974 c. 52.](#)
M11 Source-1976 Sch.4 4(2)
M12 Source-1976 Sch.4 5A; 1978 Sch.3 5
M13 Source-1970 s.19(4)(a), (c); 1971 Sch.3 11
M14 [1924 c. 27.](#)
M15 Source-1970 s.19(3)(i)(ii)
M16 [1982 c. xiv.](#)

[^{F147}266A] Life assurance premiums paid by employer

- (1) This section applies if—
- (a) pursuant to [^{F148}an employer-financed] retirement benefits scheme, the employer in any year of assessment pays a sum with a view to the provision of any relevant benefits for or in respect of any employee of that employer, and
 - (b) the payment is made under such an insurance or contract as is mentioned in section 266.

This section applies whether or not the accrual of the relevant benefits is dependent on any contingency.

- (2) Relief, if not otherwise allowable, shall be given to that employee under section 266 in respect of the payment to the extent, if any, to which such relief would have been allowable to him if—
- (a) the payment had been made by him, and
 - (b) the insurance or contract under which the payment is made had been made with him.

[^{F149}(3) For the purposes of subsection (1)(a) benefits are provided in respect of an employee if they are provided for the employee's spouse, widow or widower, children, dependants or personal representatives.

- (4) If a sum within subsection (1) is paid with a view to the provision of benefits for or in respect of more than one employee of the employer, part of it is to be treated as paid for or in respect of each of them.

- (5) The amount treated as paid for or in respect of each employee is—

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$$A \times \frac{B}{C}$$

where—

A is the sum paid,

B is the amount which would have had to be paid to secure the benefits to be provided for or in respect of the employee in question, and

C is the total amount which would have had to be paid to secure the benefits to be provided for or in respect of all the employees if separate payments had been made in the case of each of them.

- (6) This section does not apply if—
- (a) in the year of assessment in which the sum is paid the earnings from the employee's employment are (or, if there are none, would be if there were any) earnings charged on remittance, or
 - (b) the employee is not domiciled in the United Kingdom in the tax year in which the sum is paid and the conditions in subsection (7) are met.
- (7) Those conditions are—
- (a) that the employment is with a foreign employer, and
 - (b) that, on a claim made by the employee, the Board are satisfied that the pension scheme corresponds to a registered pension scheme.
- (8) In subsection (6)(a) “earnings charged on remittance” means earnings which are taxable earnings under—
- (a) section 22 of ITEPA 2003 (chargeable overseas earnings for year when employee resident and ordinarily resident, but not domiciled, in UK), or
 - (b) section 26 of that Act (foreign earnings for year when employee resident, but not ordinarily resident, in UK).
- (9) In this section—
- “employer-financed retirement benefits scheme”, and
- “relevant benefits”,
- have the same meaning as in Chapter 2 of Part 6 of ITEPA 2003 (see sections 393A and 393B of that Act).]]

Textual Amendments

- F147** S. 266A inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by *Income Tax (Earnings and Pensions) Act 2003 (c. 1)*, **Sch. 6 para. 36** (with Sch. 7)
- F148** Words in s. 266A(1) substituted (6.4.2006) by *Finance Act 2004 (c. 12)*, s. 284(1), **Sch. 35 para. 10(2)** (with Sch. 36)
- F149** S. 266A(3)-(9) substituted for s. 266A(3)-(6) (6.4.2006) by *Finance Act 2004 (c. 12)*, s. 284(1), **Sch. 35 para. 10(3)** (with Sch. 36)

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267 Qualifying policies.

Schedule 15, Part I of which contains the basic rules for determining whether or not a policy is a qualifying policy, Part II of which makes provision for the certification etc. of policies as qualifying policies and Part III of which modifies Parts I and II in their application to certain policies issued by non-resident companies, shall have effect for the purpose of determining whether or not a policy is a qualifying policy; and, accordingly, any reference in this Act to a qualifying policy shall be construed in accordance with that Schedule.

268 Early conversion or surrender of life policies.

^{M17}(1) Where a policy of life insurance to which this section applies has been issued and, within four years from the making of the insurance in respect of which it was issued, any of the following events happens, that is to say—

- (a) the surrender of the whole or part of the rights conferred by the policy;
- (b) the falling due (otherwise than on death) of a sum payable in pursuance of a right conferred by the policy to participate in profits; and
- (c) the conversion of the policy into a paid-up or partly paid-up policy;

the body by whom the policy was issued shall pay to the Board, out of the sums payable by reason of the surrender or, as the case may be, out of the sum falling due or out of the fund available to pay the sums which will be due on death or on the maturity of the policy, a sum determined in accordance with the following provisions of this section, unless the body is wound up and the event is a surrender or conversion effected in connection with the winding-up.

(2) The sum payable under subsection (1) above shall, subject to the following provisions of this section, be equal to the lower of the following, that is to say—

- (a) the appropriate percentage of the premiums payable under the policy up to the happening of the event; and
- (b) the surrender value of the policy at the time of the happening of the event less the complementary percentage of the premiums mentioned in paragraph (a) above.

(3) If the event is one of those mentioned below, the sum payable to the Board shall not exceed the following limit, that is to say—

- (a) if it is the surrender of part of the rights conferred by the policy, the value of the rights surrendered at the time of the surrender;
- (b) if it is the conversion of the policy into a partly paid-up policy, the surrender value at the time of the conversion, of so much of the policy as is paid up; and
- (c) if it is the falling due of a sum, that sum.

(4) If the event was preceded by the happening of such an event as is mentioned in subsection (1) above, subsection (2) above shall apply—

- (a) as if the lower of the amounts mentioned therein were reduced by the sum paid under this section in respect of the earlier event; and
- (b) if the earlier event was such an event as is mentioned in paragraph (a) or (c) of subsection (3) above, as if the surrender value of the policy were increased by the amount which, under that paragraph, limited or might have limited the sum payable under this section in respect of the earlier event.

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- (5) For the purposes of this section the appropriate percentage, in relation to any event, is the percentage equal to the following fraction of the percentage found by doubling that mentioned in section 266(5)(a) as in force for the year of assessment in which the event happened, that is to say—
- (a) if the event happens in the first two of the four years mentioned in subsection (1) above, three-sixths;
 - (b) if it happens in the third of those years, two-sixths; and
 - (c) if it happens in the last of those years, one-sixth;
- and the complementary percentage, in relation to any event, is 100 per cent. less the appropriate percentage.
- (6) Where the annual amount of the premiums payable under a policy of life insurance is at any time increased (whether under the policy or by any contract made after its issue) so as to exceed by more than 25 per cent.—
- (a) if the insurance was made on or before 26th March 1974, the annual amount as at that date, or
 - (b) in the case of any other insurance, the first annual amount so payable,
- the additional rights attributable to the excess shall be treated for the purposes of this section as conferred by a new policy issued in respect of an insurance made at that time, and the excess shall be treated as premiums payable under the new policy.
- (7) This section applies to any policy of life insurance which is a qualifying policy unless—
- (a) it is a policy in respect of the premiums on which relief under section 266 is not available by virtue of subsection (3)(c) of that section; or
 - (b) it is a policy of life insurance issued in connection with [F150 a registered pension scheme;]
- and in relation to a policy of life insurance issued in respect of an insurance made before 27th March 1974 applies only in accordance with subsection (6) above.

Textual Amendments

F150 Words in s. 268(7)(b) substituted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), Sch. 35 para. 11 (with Sch. 36)

Marginal Citations

M17 Source-1975 s.7; 1976 Sch.4 19(1); 1984 s.72(5)

269 Surrender etc. of policies after four years.

- ^{M18}(1) Where a policy of life insurance to which this section applies has been issued and, in the fifth or any later year from the making of the insurance in respect of which it was issued, either of the following events happens, that is to say—
- (a) the surrender of the whole or part of the rights conferred by the policy; and
 - (b) the falling due (otherwise than on death or maturity) of a sum payable in pursuance of a right conferred by the policy to participate in profits;
- then, if either of those events has happened before, the body by whom the policy was issued shall pay to the Board, out of the sums payable by reason of the surrender, or,

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as the case may be, out of the sum falling due, a sum determined in accordance with the following provisions of this section.

- (2) The sum payable under subsection (1) above shall, subject to the following provisions of this section, be equal to the applicable percentage of the lower of the following—
- (a) the total of the premiums which are payable in that year under the policy; and
 - (b) the sums payable by reason of the surrender or, as the case may be, the sum falling due;
- and the percentage to be applied for this purpose shall be a percentage equal to that mentioned in section 266(5)(a) as in force for the year of assessment in which the event happens.
- (3) Where, after a sum has become payable under subsection (1) above, and within the same year from the making of the insurance, another such event happens as is mentioned therein, the sums payable under that subsection in respect of both or all of the events shall not exceed the applicable percentage of the total mentioned in subsection (2)(a) above.
- (4) Where, on the happening of an event in the fifth or any later year from the making of the insurance, any sum is payable under subsection (1) of section 268 as applied by subsection (6) of that section as well as under subsection (1) above, subsection (2) above shall apply as if the sums or sum mentioned in paragraph (b) thereof were reduced by the sum payable under that section.
- (5) This section applies to any policy of life insurance which is a qualifying policy unless—
- (a) it is a policy in respect of the premiums on which relief under section 266 is not available by virtue of subsection (3)(c) of that section; or
 - (b) it is a policy issued in the course of an industrial insurance business; or
 - (c) it was issued in respect of an insurance made before 27th March 1974.

Marginal Citations

M18 Source-1975 s.8; 1976 Sch.4 19(2); 1984 s.72(5)

270 Provisions supplementary to sections 268 and 269.

- ^{M19}(1) Where on the happening of an event in relation to a policy of life insurance a sum is payable under section 268 or 269, relief under section 266 in respect of the relevant premiums paid under the policy shall be reduced by the sum so payable or, as the case may be, by so much of the sum as does not exceed the amount of that relief (or as does not exceed so much of that amount as remains after any previous reduction under this section).
- (2) For the purposes of this section the relevant premiums are—
- (a) in relation to a sum payable under section 268, the premiums payable under the policy up to the happening of the event by reason of which the sum is payable; and
 - (b) in relation to a sum payable under section 269, the premiums payable in the year (from the making of the insurance) in which the event happens by reason of which the sum is payable.

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- (3) Where the relevant premiums are payable in more than one year of assessment the reduction in relief under this section shall, so far as possible, reduce relief for an earlier year of assessment before reducing relief for a later one.
- (4) Any sum paid under section 268 or 269 by reason of any event shall be treated—
- (a) as between the parties, as received by the person by whom the premiums under the policy were paid; and
 - (b) for the purposes of section 266, as a sum paid by that person in satisfaction of his liability resulting from the reduction of relief under this section;
- and where that sum exceeds that liability he shall be entitled, on a claim made by him not later than six years after the end of the year of assessment in which the event happens, to repayment of the excess.

Marginal Citations

M19 Source-1975 s.9(1)-(4); 1976 Sch.4 19(3)

271 Deemed surrender in cases of certain loans.

^{M20}(1) Where—

- (a) [^{F151}by virtue of section 465 of ITTOIA 2005] a gain arising in connection with a policy ^{F152}. . . would be treated as forming part of an individual's total income; and
- (b) the policy was issued in respect of an insurance made after 26th March 1974 ^{F153}. . .; and
- (c) any sum is at any time after the making of the insurance ^{F152}. . . lent to or at the direction of that individual by or by arrangement with the body issuing the policy ^{F154}. . .;

then, subject to subsection (2) below, the same results shall follow under sections 268 to 270 as if at the time the sum was lent there had been a surrender of part of the rights conferred by the policy ^{F152}. . . and the sum had been paid as consideration for the surrender (and if the policy is a qualifying policy, whether or not the premiums under it are eligible for relief under section 266, those results shall follow under section 269, whether or not a gain would be treated as arising on the surrender).

(2) Subsection (1) above does not apply—

- (a) in relation to a policy if—
 - (i) it is a qualifying policy; and
 - (ii) either interest at a commercial rate is payable on the sum lent or the sum is lent to a full-time employee of the body issuing the policy for the purpose of assisting him in the purchase or improvement of a dwelling used or to be used as his only or main residence; ^{F155}. . .

^{F155}(b)

Textual Amendments

F151 Words in s. 271(1)(a) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 123](#) (with Sch. 2)

F152 Words in s. 271(1) repealed (retrospectively) by [Finance Act 1994 \(c. 9\)](#), [Sch. 17 para. 2\(1\)\(a\)](#), [Sch. 26 Pt. 5\(22\)](#)

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F153 Words in s. 271(1)(b) repealed (retrospectively) by Finance Act 1994 (c. 9), Sch. 17 para. 2(1)(b), **Sch. 26 Pt. 5(22)**

F154 Words in s. 271(1)(c) repealed (retrospectively) by Finance Act 1994 (c. 9), Sch. 17 para. 2(1)(c), **Sch. 26 Pt. 5(22)**

F155 S. 271(2)(b) and preceding word repealed (retrospectively) by Finance Act 1994 (c. 9), Sch. 17 para. 2(2), **Sch. 26 Pt. 5(22)**

Marginal Citations

M20 Source-1975 Sch.2 16(1), (3); 1976 s.35

272 Collection of sums payable under sections 268 and 269.

- ^{M21}(1) Any body by whom a policy to which section 268 or 269 applies has been issued shall, within 30 days of the end of each period of 12 months ending with 31st March in every year, make a return to the collector of the sums which, in that period, have become payable by it under either of those sections.
- (2) Any sum which is to be included in a return made under subsection (1) above shall be due at the time by which the return is to be made and shall be paid without being demanded.
- (3) Where any sum which was or ought to have been included in such a return is not paid by the end of the period for which the return was to be made, it may be recovered by an assessment as if it were income tax for the year of assessment in which that period ends; and where it appears to the inspector that a sum which ought to have been so included had not been included or that a return is not correct he may make such an assessment to the best of his judgment.
- (4) All the provisions of the Income Tax Acts relating to the assessment and collection of tax, interest on unpaid tax, appeals and penalties shall, with the necessary modifications, apply in relation to sums due under this section; and for the purposes of those provisions so far as they relate to interest on unpaid tax, a sum assessed in pursuance of this section shall be treated as having been payable when it would have been payable had it been included in a return under subsection (1) above.
- (5) Where, on an appeal against an assessment made in pursuance of this section, it is determined that a greater sum has been assessed than was payable, the excess, if paid, shall be repaid.
- (6) Where a body has paid a sum which is payable under section 268 or 269 it shall give within 30 days to the person by whom the sum is, under section 270(4), treated as received a statement specifying that sum and showing how it has been arrived at.
- (7) The Board or an inspector may, by notice served on the body by whom a policy to which section 268 or 269 applies has been issued, require the body, within such time, not being less than 30 days, as may be specified in the notice—
- (a) to furnish such particulars; or
 - (b) to make available for inspection by an officer authorised by the Board such books and other documents in the possession or under the control of the body; as the Board or officer may reasonably require for the purposes of those sections or this section.

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Marginal Citations

M21 Source-1975 Sch.1

[^{F156}273 Payments securing annuities.

[[^{F158}Subject to subsection (2) below, section 274 of this Act and sections 192 to 194
^{F157}(1)] of the Finance Act 2004, if the claimant] is, under any Act of Parliament or under any terms and conditions of employment, liable to the payment of any sum, or to the deduction from any salary or stipend of any sum, for the purpose of securing a deferred annuity to a widow or widower [^{F159}or surviving civil partner] of the claimant or provision for the claimant's children after the claimant dies, the claimant shall be entitled to a [^{F160}tax reduction] equal to income tax at the basic rate on the amount of the sum which he or she has paid or which has been deducted from his or her salary or stipend.

[[^{F162}There is no entitlement to a tax reduction] under this section in respect of any
^{F161}(2) contribution paid by any person under Part 1 of the Social Security Contributions and Benefits Act 1992 or Part 1 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.]

[A tax reduction under this section is given effect at Step 6 of the calculation in
^{F163}(3) section 23 of ITA 2007.]

Textual Amendments

F156 1988(F) s.35 and Sch.3 para.10 for 1990-91 and subsequent years. *Previously*

“Payments securing widows' and children's annuities.273. Subject to sections 274, 617(3) and 619(6), if the claimant is, under any Act of Parliament or under the terms or conditions of his employment, liable to the payment of any sum, or to the deduction from his salary or stipend of any sum, for the purpose of securing a deferred annuity to his widow or provision for his children after his death, he shall be entitled to a deduction from the amount of income tax with which he is chargeable equal to income tax at the basic rate on the amount of the sum paid by him or deducted from his salary or stipend.”.

F157 S. 273 renumbered as s. 273(1) (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 124\(a\)](#) (with Sch. 2)

F158 Words in s. 273 substituted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), [Sch. 35 para. 12](#) (as amended by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 655, Sch. 2 para. 161 (with [Sch. 2](#))) (with Sch. 36)

F159 Words in s. 273(1) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), 59

F160 Words in s. 273(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 37\(2\)](#) (with Sch. 2)

F161 S. 273(2) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 124\(d\)](#) (with Sch. 2)

F162 Words in s. 273(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 37\(3\)](#) (with Sch. 2)

F163 S. 273(3) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 37\(4\)](#) (with Sch. 2)

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274 Limits on relief under sections 266 and 273.

- (1) ^{M22}The aggregate of the premiums or other sums in respect of which relief is given to any person under section 266 shall not exceed £1,500 in any year of assessment or one-sixth of that person's total income, whichever is the greater.
- (2) ^{M23}The aggregate of the relief given under sections 266 and 273 in respect of premiums or sums payable for securing any benefits other than capital sums on death shall not exceed the amount of the income tax calculated at the appropriate rate on £100.
- (3) ^{M24}In subsection (2) above “the appropriate rate”—
 - (a) in relation to premiums to which section 266 applies, means [^{F164}12.5 per cent.];
 - (b) in relation to other payments, means the basic rate of income tax.
- (4) ^{M25}War insurance premiums shall not be taken into account in calculating the limits of one-sixth of total income or of £100 mentioned in this section.

In this subsection “war insurance premiums” means any additional premium or other sum paid in order to extend an existing life insurance policy to risks arising from war or war service abroad, and any part of any premium or other sum paid in respect of a life insurance policy covering those risks, or either of them, which [^{F165}is] attributable to those risks, or either of them.

Textual Amendments

F164 1988(F) s.29—from 6 April 1989. Previously “15 per cent.”.

F165 Word in s. 274(4) substituted (with effect in accordance with s. 134(2) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 20 para. 20**

Marginal Citations

M22 Source-1970 s.21(1); 1976 Sch.4 21

M23 Source-1970 s.21(3); 1975 Sch.2 6

M24 Source-1970 s.21(4); 1975 Sch.2 6; 1980 s.29; 1976 Sch.4 21; 1987 Sch.15 2(5)

M25 Source-1970 s.21(5)

Supplemental

^{F166}275 Meaning of “relative”.

.....

Textual Amendments

F166 S. 275 repealed (1988-89 and subsequent years) by Finance Act 1988 (c. 39), s. 148, **Sch. 14 Part IV**

276 Effect on relief of charges on income.

^{F167}

Status: Point in time view as at 06/04/2007.

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Textual Amendments

F167 S. 276 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 38, Sch. 3 Pt. 1** (with Sch. 2)

277 Partners.

F168

Textual Amendments

F168 S. 277 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 39, Sch. 3 Pt. 1** (with Sch. 2)

278 Non-residents.

(1) **F169**

(2) [**F170** Subject to subsection (2ZA) below, relief under this Chapter shall be given only to an individual] who **F171** . . . —

- [**F172**(za) is not resident in the United Kingdom,
- (zb) does not meet the condition in section 56(3) of ITA 2007, and]
 - (a) is a Commonwealth citizen or [**F173**an EEA national];**F174** . . .
 - (b) **F174**
 - (c) **F174**
 - (d) **F174**
 - (e) **F174**

[**F175**(2ZA) Relief under section 266 above (except relief given by virtue of subsection (7) of that section) may also be given to an individual who—

- (a) is resident in the United Kingdom, or
- (b) meets the condition in section 56(3) of ITA 2007.]

[**F176F177**(2A)

(3) *No relief under this Chapter shall be given so as to reduce the amount of the income tax payable by the individual below the amount which results from applying the fraction—*

$$\frac{A}{B}$$

to the amount which would have been payable by him by way of income tax if the tax were chargeable on his total income from all sources (including income which is not subject to income tax charged in the United Kingdom) where—

A is the amount of his income subject to income tax charged in the United Kingdom; and

B is the amount of his total income^{**F178**}.

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- (4) ^{M26}Subsection (3) above shall have effect as if the amount of any relief to which an individual is entitled under section 266(4) were an amount by which his liability to income tax is reduced^{F176}.
- (5) ^{M27}For the purposes of subsection (3) above as it applies to an individual whose income includes income eligible for double taxation relief—
- (a) in computing the amount of the income tax payable by the individual, the tax chargeable in respect of the income eligible for double taxation relief shall be disregarded;
 - (b) in computing the amount of his income subject to income tax charged in the United Kingdom, the income eligible for double taxation relief shall be disregarded; and
 - (c) in computing his total income from all sources, including income which is not subject to income tax charged in the United Kingdom, income eligible for double taxation relief shall be included, and the income tax which would be chargeable on that total income shall be computed without regard to the double taxation relief available in respect of the income eligible for double taxation relief;
- and, accordingly, where this subsection applies, the amount of the tax chargeable in respect of the income eligible for double taxation relief shall not be affected by subsections (2) and (3) above^{F178}.
- (6) Subsection (5) shall not operate so as to make the tax payable by an individual for a year of assessment higher than it would have been if the double taxation relief had not been available^{F178}.
- (7) In subsection (5) above “income eligible for double taxation relief” means any dividends, interest, royalties or other profits which are chargeable to income tax but in respect of which relief (other than credit) is available under an Order in Council under section 788 so as to limit the rate of income tax so chargeable (but not so as to confer an exemption and make it income which is not subject to income tax charged in the United Kingdom)^{F178}.
- (8) Any claim which an individual is entitled to make by virtue of subsection (2) above shall be made to the Board.
- [^{F179}(9) In this section “EEA national” means a national of any State, other than the United Kingdom, which is a Contracting Party to the Agreement on the European Economic Area signed at Oporto on 2nd May 1992, as adjusted by the Protocol signed at Brussels on 17th March 1993.]

Textual Amendments

- F169** S. 278(1) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 40\(2\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F170** Words in s. 278(2) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 40\(3\)\(a\)](#) (with [Sch. 2](#))
- F171** Words in s. 278(2) repealed (with effect in accordance with s. 134(2) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 20 para. 21](#), [Sch. 41 Pt. 5\(10\)](#), Note
- F172** S. 278(2)(za)(zb) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 40\(3\)\(b\)](#) (with [Sch. 2](#))
- F173** Words in s. 278(2)(a) substituted (with effect in accordance with s. 145(3) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 145\(1\)](#)

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F174 S. 278(2)(b)-(e) and preceding word repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 40\(3\)\(c\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F175 S. 278(2ZA) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 40\(4\)](#) (with [Sch. 2](#))

F176 1988(F) s.31 for 1990-91 and subsequent years.

F177 S. 278(2A) repealed (with effect in accordance with Sch. 20 Pt. 3(3) Note 2 of the repealing Act) by [Finance Act 1999 \(c. 16\), Sch. 20 Pt. 3\(3\)](#)

F178 Repealed by 1988(F) ss.31, 148 and Sch. 14 Part IV for 1990-91 and subsequent years.

F179 S. 278(9) added (with effect in accordance with s. 145(3) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 145\(2\)](#)

Modifications etc. (not altering text)

C20 See [British Nationality Act 1981 ss.37 and 51\(1\)](#) for definition.

Marginal Citations

M26 Source-1976 Sch.4 18(3)

M27 Source-1970 s.27(3)-(5)

CHAPTER II

TAXATION OF INCOME OF SPOUSES^{F180} AND CIVIL PARTNERS]

Textual Amendments

F180 Words in [Pt. 7 Ch. 2](#) heading inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\), regs. 1\(1\), 61](#)

General rules

^{F181}279 Aggregation of wife's income with husband's.

.....

Textual Amendments

F181 S. 279 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\), ss. 32, 148, Sch. 14 Part VIII](#)

^{F182}280 Transfer of reliefs.

.....

Textual Amendments

F182 S. 280 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\), s. 148, Sch. 14 Part VIII](#)

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^{F183}281 Tax repayments to wives.

.....

Textual Amendments
F183 S. 281 repealed (1990-91 and subsequent years) by Finance Act 1988 (c. 39), s. 148, Sch. 14 Part VIII

282 Construction of references to [^{F184}spouses or civil partners] living together.

^{F185}

Textual Amendments
F184 Words in s. 282 heading substituted (5.12.2005) by The Tax and Civil Partnership Regulations 2005 (S.I. 2005/3229), regs. 1(1), 62(b)
F185 S. 282 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 41, Sch. 3 Pt. 1 (with Sch. 2)

[^{F186}282A] Jointly held property.

^{F187}]

Textual Amendments
F186 Ss. 282A, 282B inserted (1990-91 and subsequent years) by Finance Act 1988 (c. 39), s. 34
F187 Ss. 282A, 282B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 42, Sch. 3 Pt. 1 (with Sch. 2)

282B Jointly held property: declarations.

^{F188}

Textual Amendments
F188 Ss. 282A, 282B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 42, Sch. 3 Pt. 1 (with Sch. 2)

Separate assessments

^{F189}283 Option for separate assessment.

.....

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Textual Amendments

F189 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

F190 284 Effect of separate assessment on personal reliefs.

.....

Textual Amendments

F190 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

F191 285 Collection from wife of tax assessed on husband but attributable to her income.

.....

Textual Amendments

F191 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

F192 286 Right of husband to disclaim liability for tax on deceased wife’s income.

.....

Textual Amendments

F192 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

Separate taxation

F193 287 Separate taxation of wife’s earnings.

.....

Textual Amendments

F193 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

F194 288 Elections under section 287.

.....

Status: Point in time view as at 06/04/2007.

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Textual Amendments

F194 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, **Sch. 14 Part VIII**

[^{F195}CHAPTER III

ENTERPRISE INVESTMENT SCHEME]

Textual Amendments

F195 [Pt. 7 Ch. 3](#) (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), [Sch. 2](#))

289 Eligibility for relief.

^{F196}

Textual Amendments

F196 [Pt. 7 Ch. 3](#) (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), [Sch. 2](#)); and s. 289(9) amended (as saved) (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 16 paras. 16\(1\)\(a\), 18](#); and s. 289 further amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\)](#), **arts. 1(1), 2(2)**

[^{F197}289A Form of relief.

^{F198}

Textual Amendments

F197 Ss. 289-289B substituted for s. 289 (with effect in accordance with s. 137(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), s. 137(1), **Sch. 15 para. 2**

F198 [Pt. 7 Ch. 3](#) (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), [Sch. 2](#))

[^{F199}289B Attribution of relief to shares.

^{F200}

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Textual Amendments

- F199** Ss. 289-289B substituted for s. 289 (with effect in accordance with s. 137(2) of the amending Act) by Finance Act 1994 (c. 9), s. 137(1), **Sch. 15 para. 2**
- F200** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

290 Minimum and maximum subscriptions.

F201

Textual Amendments

- F201** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

[^{F202F203}**290A Restriction of relief where amounts raised exceed permitted maximum.**

.....]

Textual Amendments

- F202** S. 290A inserted (retrospectively) by **Finance Act 1988 (c. 39) s. 51(1)(b)**
- F203** S. 290A repealed (with effect in accordance with s. 74(3), Sch. 27 Pt. 3(14) Note 4 of the repealing Act) by **Finance Act 1998 (c. 36), Sch. 13 para. 5, Sch. 27 Pt. 3(14)**

291 Individuals qualifying for relief.

F204

Textual Amendments

- F204** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

[^{F205}**291A Connected persons: directors.**

F206

Textual Amendments

- F205** Ss. 291-291B substituted for s. 291 (with effect in accordance with s. 137(2) of the amending Act) by **Finance Act 1994 (c. 9), s. 137(1), Sch. 15 para. 5**

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F206 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F207}291B Connected persons: persons interested in capital etc. of company.

F208]

Textual Amendments

F207 Ss. 291-291B substituted for s. 291 (with effect in accordance with s. 137(2) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 137\(1\), Sch. 15 para. 5](#)

F208 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2); and s. 291B amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\), arts. 1\(1\), 2\(2\)](#)

292 Parallel trades.

F209

Textual Amendments

F209 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

293 Qualifying companies.

F210

Textual Amendments

F210 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2); and s. 293 amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\), arts. 1\(1\), 2\(2\)](#)

294 Companies with interests in land.

F211

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Textual Amendments

F211 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

295 Valuation of interests in land for purposes of section 294(1)(b).

F212

Textual Amendments

F212 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

296 Section 294 disapplied where amounts raised total £50,000 or less.

F213

Textual Amendments

F213 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

297 Qualifying trades.

F214

Textual Amendments

F214 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2); and s. 297 amended (as saved) (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\), Sch. 16 paras. 11\(1\), 13](#), **Sch. 27 Pt. 2(16)**, Note

298 Provisions supplementary to sections 293 and 297.

F215

Textual Amendments

F215 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2); and s. 298 amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\)](#), **arts. 1(1), 2(3)**

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299 Disposal of shares.

F216

Textual Amendments

F216 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2); and s. 299 (as saved) applied (with modifications) by s. 149(1)(a) of that repealing Act

[^{F217}299A] Loan linked investments.

F218]

Textual Amendments

F217 S. 299A inserted (27.7.1993 with application in relation to any case in which the claim for relief is made on or after 16.3.1993) by [1993 c. 34, s. 111\(1\)\(4\)](#)

F218 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F219}299B] Pre-arranged exits.

F220]

Textual Amendments

F219 S. 299B inserted (with effect in accordance with s. 71(5) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 71\(1\)](#)

F220 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

300 Value received from company.

F221

Textual Amendments

F221 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F222}300A] Receipt of replacement value

F223]

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Textual Amendments

- F222** S. 300A inserted (with effect in accordance with Sch. 15 para. 40(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 15 para. 16**
- F223** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 627, **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

301 Provisions supplementary to section 300.

F224

Textual Amendments

- F224** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 627, **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

[^{F225}**301A Receipts of insignificant value: supplementary provision**

F226]

Textual Amendments

- F225** S. 301A inserted (with effect in accordance with Sch. 15 para. 40(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 15 para. 18**
- F226** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 627, **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

302 Replacement capital.

F227

Textual Amendments

- F227** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 627, **Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

303 Value received by persons other than claimants.

F228

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Textual Amendments

F228 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

[^{F229}303AA] Significant repayments disregarded for purposes of s.303(1)

^{F230}

Textual Amendments

F229 S. 303AA inserted (with effect in accordance with [Sch. 15 para. 40\(3\)](#) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 15 para. 20](#)

F230 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

[^{F231}303AR] Restriction on withdrawal of relief under section 303.

^{F232}

Textual Amendments

F231 S. 303A inserted (with effect in accordance with s. 63(4) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 16 para. 2\(3\)](#)

F232 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

304 [^{F233}Spouses and civil partners.]

^{F234}

Textual Amendments

F233 S. 304 heading substituted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), 65(c)

F234 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

[^{F235}304AA] Acquisition of share capital by new company.

^{F236}

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Textual Amendments

F235 S. 304A inserted (with effect in accordance with s. 74(3), **Sch. 13 para. 17(2)** of the amending Act) by **Finance Act 1998 (c. 36)**, **Sch. 13 para. 17(1)**; and see also the s. 304A inserted (with effect in accordance with s. 74(3), **Sch. 13 para. 41(2)** of the amending Act) by **Finance Act 1998 (c. 36)**, **Sch. 13 paras. 37, 41(1)**

F236 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3)**, **Sch. 1 para. 627**, **Sch. 3 Pt. 2** (with savings in s. 1034(3), **Sch. 2**); and s. 304A amended (as saved) (retrospective to 6.4.2007) by **Finance Act 2007 (c. 11)**, **Sch. 16 paras. 11(2), 13**

305 Reorganisation of share capital.

F237

Textual Amendments

F237 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3)**, **Sch. 1 para. 627**, **Sch. 3 Pt. 2** (with savings in s. 1034(3), **Sch. 2**)

[^{F238}**305A Relief for loss on disposal of shares.**

F239]

Textual Amendments

F238 S. 305A inserted (with effect in accordance with s. 137(2) of the amending Act) by **Finance Act 1994 (c. 9)**, s. 137(1), **Sch. 15 para. 20**

F239 S. 305A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3)**, **Sch. 1 para. 43**, **Sch. 3 Pt. 1** (with **Sch. 2**)

306 Claims.

F240

Textual Amendments

F240 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3)**, **Sch. 1 para. 627**, **Sch. 3 Pt. 2** (with savings in s. 1034(3), **Sch. 2**)

307 Withdrawal of relief.

F241

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Textual Amendments

F241 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in [s. 1034\(3\)](#), [Sch. 2](#))

308 Application to subsidiaries.

F242

Textual Amendments

F242 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in [s. 1034\(3\)](#), [Sch. 2](#)); and s. 308 amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\)](#), [arts. 1\(1\)](#), [2\(2\)](#)

309 Further provisions as to subsidiaries.

F243

Textual Amendments

F243 [S. 309](#) repealed (with effect as mentioned in [s. 137\(1\)\(2\)](#), [Sch. 26 Pt. 5\(17\)](#) Note of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 15 para. 24](#), [Sch. 26 Pt. 5\(17\)](#)

310 Information.

F244

Textual Amendments

F244 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in [s. 1034\(3\)](#), [Sch. 2](#))

311 Nominees, bare trustees and approved investment funds.

F245

Textual Amendments

F245 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in [s. 1034\(3\)](#), [Sch. 2](#))

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312 Interpretation of Chapter III.

F246

Textual Amendments

F246 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#)); and s. 312 amended (as saved) (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 44](#) (with [Sch. 2](#)); and s. 312 further amended (as saved) (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\), Sch. 16 paras. 16\(1\)\(b\), 18, Sch. 27 Pt. 2\(16\)](#), Note; and s. 312 further amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\), arts. 1\(1\), 2\(4\)\(5\)](#); and s. 312 further amended (as saved) (19.7.2007) by [Finance Act 2007 \(c. 11\), Sch. 26 para. 7\(3\)](#)

CHAPTER IV

SPECIAL PROVISIONS

313 Taxation of consideration for certain restrictive undertakings.

F247

Textual Amendments

F247 S. 313 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 39, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

314 Divers and diving supervisors.

F248

Textual Amendments

F248 S. 314 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 128, Sch. 3](#) (with [Sch. 2](#))

315 Wounds and disability pensions.

F249

Textual Amendments

F249 Ss. 315-318 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 41, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

Status: Point in time view as at 06/04/2007.

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316 Allowances, bounties and gratuities.

F250

Textual Amendments

F250 Ss. 315-318 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 41, **Sch. 8 Pt. 1** (with Sch. 7)

317 Victoria Cross and other awards.

F251

Textual Amendments

F251 Ss. 315-318 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 41, **Sch. 8 Pt. 1** (with Sch. 7)

318 Other pensions in respect of death due to war service etc.

F252

Textual Amendments

F252 Ss. 315-318 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 41, **Sch. 8 Pt. 1** (with Sch. 7)

319 Crown servants: foreign service allowance.

F253

Textual Amendments

F253 S. 319 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 42, **Sch. 8 Pt. 1** (with Sch. 7)

320 Commonwealth Agents-General and official agents etc.

F254

Textual Amendments

F254 S. 320 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 45, **Sch. 3 Pt. 1** (with Sch. 2)

321 Consuls and other official agents.

F255

Status: Point in time view as at 06/04/2007.

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Textual Amendments

F255 S. 321 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 43, **Sch. 8 Pt. 1** (with Sch. 7)

322 Consular officers and employees.

F256

Textual Amendments

F256 S. 322 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 129, **Sch. 3** (with Sch. 2)

323 Visiting forces.

F257

Textual Amendments

F257 S. 323 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 46, **Sch. 3 Pt. 1** (with Sch. 2)

324 Designated international organisations.

F258

Textual Amendments

F258 S. 324 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 130, **Sch. 3** (with Sch. 2)

325 Interest on deposits with National Savings Bank.

F259

Textual Amendments

F259 S. 325 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 131, **Sch. 3** (with Sch. 2)

326 Interest etc. under contractual savings schemes.

F260

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Textual Amendments

F260 S. 326 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 132](#), **Sch. 3** (with Sch. 2)

[^{F261}326A] Tax-exempt special savings accounts.

^{F262}

Textual Amendments

F261 Ss. 326A-326C inserted by [Finance Act 1990 \(c. 29\), s. 28\(1\)](#)

F262 Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 133](#), **Sch. 3** (with Sch. 2)

[^{F263}326B] Loss of exemption for special savings accounts.

^{F264}

Textual Amendments

F263 Ss. 326A-326C inserted by [Finance Act 1990 \(c. 29\), s. 28\(1\)](#)

F264 Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 133](#), **Sch. 3** (with Sch. 2)

[^{F265}326BB] Follow-up TESSAs.

^{F266}

Textual Amendments

F265 S. 326BB inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 62\(2\)](#)

F266 Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 133](#), **Sch. 3** (with Sch. 2)

[^{F267}326C] Tax-exempt special savings accounts: supplementary.

^{F268}

Textual Amendments

F267 Ss. 326A-326C inserted by [Finance Act 1990 \(c. 29\), s. 28\(1\)](#)

F268 Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 133](#), **Sch. 3** (with Sch. 2)

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[^{F269}**326D**Tax-exempt special savings accounts: tax representatives.

F270]

Textual Amendments

- F269 S. 326D inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 63(4)
- F270 Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 133, Sch. 3 (with Sch. 2)

327 Disabled person’s vehicle maintenance grant.

F271

Textual Amendments

- F271 S. 327 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 134, Sch. 3 (with Sch. 2)

[^{F272}**327A**Payments to adopters

F273]

Textual Amendments

- F272 S. 327A inserted (with effect in accordance with s. 175(2) of the amending Act) by Finance Act 2003 (c. 14), s. 175(1)
- F273 S. 327A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 135, Sch. 3 (with Sch. 2)

^{F274}**328 Funds in court.**

.....

Textual Amendments

- F274 S. 328 repealed (with effect in accordance with s. 68(3)-(5) of the repealing Act) by Finance Act 1999 (c. 16), s. 68(2), Sch. 20 Pt. 3(17), Note

329 Interest on damages for personal injuries.

F275

Textual Amendments

- F275 Ss. 329-329AB repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 136, Sch. 3 (with Sch. 2)

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[^{F276}329AA Personal injury damages in the form of periodical payments.

^{F277}

Textual Amendments

- F276** Ss. 329AA, 329AB inserted (with effect in accordance with s. 150(2)-(4) of the amending Act) by Finance Act 1996 (c. 8), s. 150(1), **Sch. 26**
- F277** Ss. 329-329AB repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 136, **Sch. 3** (with Sch. 2)

329AB Compensation for personal injury under statutory or other schemes.

^{F278}]

Textual Amendments

- F276** Ss. 329AA, 329AB inserted (with effect in accordance with s. 150(2)-(4) of the amending Act) by Finance Act 1996 (c. 8), s. 150(1), **Sch. 26**
- F278** Ss. 329-329AB repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 136, **Sch. 3** (with Sch. 2)

[^{F279}^{F280}329A Annuities purchased for certain persons.

.....

Textual Amendments

- F279** Ss. 329A, 329B inserted (1.5.1995) by Finance Act 1995 (c. 4), **s. 142**
- F280** Ss. 329A-329C repealed and superseded (29.4 1996) by Finance Act 1996 (c. 8), s. 150(2)(3), **Sch. 41 Pt. 5(16)** (with s. 150(4))

^{F281}329B Annuities assigned in favour of certain persons.

.....]

Textual Amendments

- F279** Ss. 329A, 329B inserted (1.5.1995) by Finance Act 1995 (c. 4), **s. 142**
- F281** Ss. 329A-329C repealed and superseded (29.4 1996) by Finance Act 1996 (c. 8), s. 150(2)(3), **Sch. 41 Pt. 5(16)** (with s. 150(4))

[^{F282}^{F283}329C Annuities: criminal injuries.

.....]

Textual Amendments

- F282** S. 329C inserted (8.11.1995) by Criminal Injuries Compensation Act 1995 (c. 53), **s. 8**

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F283 Ss. 329A-329C repealed and superseded (29.4 1996) by Finance Act 1996 (c. 8), s. 150(2)(3), **Sch. 41 Pt. 5(16)** (with s. 150(4))

330 Compensation for National-Socialist persecution.

F284

Textual Amendments

F284 S. 330 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 46, **Sch. 8 Pt. 1** (with Sch. 7)

331 Scholarship income.

F285

Textual Amendments

F285 S. 331 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 137, **Sch. 3** (with Sch. 2)

[^{F286}331A] Student loans: certain interest to be disregarded.

F287]

Textual Amendments

F286 S. 331A inserted (27.7.1999) by Finance Act 1999 (c. 16), s. 60
F287 S. 331A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 138, **Sch. 3** (with Sch. 2)

332 Expenditure and houses of ministers of religion.

(1) **F288**

(2) **F288**

(3) **F289**

[^{F290}(3A) **F291**

(3B) **F291**]

(4) **F291**

Textual Amendments

F288 S. 332(1)(2) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 47(2), **Sch. 8 Pt. 1** (with Sch. 7)

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- F289** S. 332(3) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 139, Sch. 3 \(with Sch. 2\)](#)
- F290** S. 332(3A)(3B) inserted (with effect in accordance with s. 57(4) of the amending Act) by [Finance Act 2001 \(c. 9\), Sch. 12 para. 10](#)
- F291** S. 332(3A)(3B)(4) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 47\(4\), Sch. 8 Pt. 1 \(with Sch. 7\)](#)

[^{F292}332A] Venture capital trusts: relief.

^{F293}]

- Textual Amendments**
- F292** S. 332A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 71\(1\)](#)
 - F293** S. 332A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 47, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

[^{F294}333] Investment plan regulations

Regulations under Chapter 3 of Part 6 of ITTOIA 2005 (income from individual investment plans) may include provision generally for the purpose of the administration of corporation tax in relation to plans.]

- Textual Amendments**
- F294** S. 333 substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 141 \(with Sch. 2\)](#)

[^{F295}333A] Personal equity plans: tax representatives.

^{F296}]

- Textual Amendments**
- F295** S. 333A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 64\(1\)](#)
 - F296** S. 333A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 142, Sch. 3 \(with Sch. 2\)](#)

[^{F297}333B] Involvement of insurance companies with plans and accounts.

- (1) The Treasury may make regulations providing exemption from tax for income from, and chargeable gains in respect of, investments and deposits of so much of an insurance company's [^{F298}long-term insurance fund] as is referable to [^{F299}plan business].
- (2) The Treasury may by regulations modify the effect of section 30(4) of the ^{M28}Finance (No. 2) Act 1997 (which repeals section 231(2) of the Taxes Act 1988 with effect from 6th April 1999) in relation to distributions which—
 - (a) are made before 6th April 2004; and

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- (b) are received by an insurance company in respect of investments of so much of its [^{F298}long-term insurance fund] as is referable to [^{F299}plan business].
- (3) Regulations under this section may make provision for insurance companies that are not resident in the United Kingdom to be treated, in relation to investments of so much of their [^{F298}long-term insurance funds] as are referable to [^{F299}plan business]—
- (a) as if they were so resident for the purposes of any enactment conferring an entitlement to, or to the payment of, tax credits in respect of investments; and
- (b) as if such other conditions of any entitlement to, or to the payment of, tax credits were also satisfied.
- (4) Regulations under section 333 or this section [^{F300}or Chapter 3 of Part 6 of ITTOIA 2005 (except sections 697 and 698)] may include provision which, in relation to insurance companies that are not resident in the United Kingdom—
- (a) requires a person to be appointed to be responsible for securing the discharge of any duties to which such an insurance company is subject under the regulations; and
- (b) confers rights and powers, and imposes liabilities, on a person so appointed; and, without prejudice to the generality of paragraphs (a) and (b) above, regulations made by virtue of this subsection may include any provision corresponding to any that, in relation to a European institution, may be made under [^{F301}section 697 or 698 of ITTOIA 2005 (requirements concerning foreign plan managers)].
- (5) Regulations under this section may provide that an insurance company—
- (a) shall comply with any notice served on it by the Board which requires it, within a prescribed period, to make available for the Board’s inspection documents (of a prescribed kind) relating to, or to matters connected with, its past or present [^{F302}plan business]; and
- (b) shall, within a prescribed period of being required to do so by the Board, furnish to the Board information (of a prescribed kind) about its past or present [^{F302}plan business] or any matters connected with it.
- (6) Any power of the Treasury under this section to make provision by regulations in relation to insurance companies shall include power by regulations to make such corresponding provision in relation to friendly societies as the Treasury think fit.
- (7) Regulations under this section may—
- (a) for purposes connected with any exemption from tax conferred by virtue of subsection (1) above, apply or modify any provision made by or under the Tax Acts;
- (b) make different provision for different cases;
- (c) include such incidental, supplemental, consequential and transitional provision as the Treasury may consider appropriate.
- (8) Without prejudice to the generality of the powers conferred by subsection (7) above, the provision that may be made in connection with an exemption from tax conferred by virtue of subsection (1) above shall include provision for section 436 to apply (with any such modifications as may be prescribed) in relation to [^{F303}plan business] as it applies in relation to pension business.
- (9) In this section—
- “friendly society” has the same meaning as in Chapter II of Part XII;

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[^{F304}“insurance company” means an undertaking carrying on the business of effecting or carrying out contracts of insurance and, for the purposes of this definition, “contract of insurance” has the meaning given by Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;]

“^{F298}long-term insurance fund]” has the same meaning as in Chapter I of Part XII;

[^{F305}“plan business”, in relation to an insurance company, means the business of the company that is attributable to the making of investments with that company under plans for which provision is made by regulations under Chapter 3 of Part 6 (except sections 697 and 698) of ITTOIA 2005 (income from individual investment plans)]

“prescribed” means prescribed by regulations under this section;

^{F306}]

Textual Amendments

- F297** S. 333B inserted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 77\(1\)](#)
- F298** Words in s. 333B(1)(2)(b)(3)(9) substituted (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\), art. 52\(1\)\(a\)](#)
- F299** Words in s. 333B(1)(2)(b)(3) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 143\(2\)](#) (with Sch. 2)
- F300** Words in s. 333B(4) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 143\(3\)\(a\)](#) (with Sch. 2)
- F301** Words in s. 333B(4) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 143\(3\)\(b\)](#) (with Sch. 2)
- F302** Words in s. 333B(5)(a)(b) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 143\(4\)](#) (with Sch. 2)
- F303** Words in s. 333B(8) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 143\(5\)](#) (with Sch. 2)
- F304** S. 333B(9): definition of “insurance company” substituted (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\), art. 22](#)
- F305** S. 333B(9): definition of “plan business” inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 143\(6\)\(a\)](#) (with Sch. 2)
- F306** S. 333B(9): definition of “section 333 business” repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 143\(6\)\(b\), Sch. 3](#) (with Sch. 2)

Modifications etc. (not altering text)

- C21** S. 333B(1)(5)-(9) modified (6.4.2005) by [Child Trust Funds Act 2004 \(c. 6\), ss. 14, 27; S.I. 2004/3369, art. 2](#)

Marginal Citations

- M28** 1997 c. 58.

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CHAPTER V

RESIDENCE OF INDIVIDUALS

334 Commonwealth citizens and others temporarily abroad.

F307

Textual Amendments

F307 S. 334 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 48, **Sch. 3 Pt. 1** (with Sch. 2)

335 Residence of persons working abroad.

F308

Textual Amendments

F308 S. 335 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 49, **Sch. 3 Pt. 1** (with Sch. 2)

336 Temporary residents in the United Kingdom.

F309

Textual Amendments

F309 S. 336 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 50, **Sch. 3 Pt. 1** (with Sch. 2)

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