

SCHEDULES:

SCHEDULE 3

MARRIED COUPLES: MINOR AND CONSEQUENTIAL PROVISIONS

PART II

OTHER PROVISIONS

Capital allowances

- 23 Where—
- (a) before 6th April 1990, a woman was entitled to the relevant interest, within the meaning of section 11 of the Capital Allowances Act 1968, in relation to expenditure incurred on the construction of a building or structure (whether she was entitled to it when the expenditure was incurred or acquired it afterwards);
 - (b) for a chargeable period ending before that date, an allowance such as is mentioned in section 3(6) of that Act (allowances relating to capital expenditure on industrial buildings etc.) was made to the woman's husband in respect of her relevant interest; and
 - (c) on or after that date, there occurs an event such as is mentioned in section 3(1) of that Act (events giving rise to a balancing allowance or a balancing charge) in respect of which the woman is entitled to all or part of any sale, insurance, salvage or compensation moneys,
- the allowance shall be treated, for the purposes of section 3(6) of that Act (amount of balancing charge not to exceed amount of allowances given), as having been made to the woman.
- 24 Where—
- (a) before 6th April 1990, a woman was entitled to the relevant interest, within the meaning of paragraph 3 of Schedule 15 to the Finance Act 1986, in relation to expenditure falling within paragraph 1(1) of that Schedule (expenditure on the construction of agricultural buildings, etc.), whether she was entitled to it when the expenditure was incurred or acquired it afterwards;
 - (b) for a chargeable period ending before that date, an allowance under paragraph 1(1) of that Schedule (writing-down allowances) was made to the woman's husband in respect of her relevant interest; and
 - (c) on or after that date, there occurs an event which is a balancing event for the purposes of that Schedule and in respect of which the woman is entitled to all or part of any sale, insurance, salvage or compensation moneys,
- the allowance shall be treated, for the purposes of paragraph 6(6) of that Schedule (amount of balancing charge not to exceed amount of allowances given), as having been made to the woman.

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The transition

- 25 The operation of section 279(1) of the Taxes Act 1988 for a year of assessment earlier than the year 1990-91 in the case of a married woman shall not affect the question whether there is any income of hers chargeable to income tax for the year 1990-91 or any subsequent year of assessment or, if there is, what is to be taken to be its amount for income tax purposes.

Returns

- 26 Where a man is required under section 8 of the Taxes Management Act 1970 to deliver a return which is—
- (a) so far as relates to certain sources of income, a return of income chargeable to income tax for the year 1990-91, and
 - (b) so far as relates to the remaining sources of income, a return of income chargeable to income tax for the year 1989-90,
- the same particulars shall be included in the return as would have been required had section 279 of the Taxes Act 1988 not been repealed by this Act.
- 27 Where a man delivers a return such as is mentioned in paragraph 26 above, the reference in sections 93(2) and 95(2) of the Taxes Management Act 1970 (penalties) to tax charged on or payable by him shall include a reference to tax charged on or payable by his wife in respect of any income of hers.
- 28 Where a woman is liable to a penalty under section 93(1) or 95(1) of the Taxes Management Act 1970, section 93(2) or 95(2) shall apply as if the reference to tax charged on or payable by her included a reference to any tax which is charged on or payable by her husband by virtue of section 279 of the Taxes Act 1988.

Time limits for assessments

- 29 Where—
- (a) for the purpose of making good to the Crown a loss of tax wholly or partly attributable to fraud, wilful default or neglect, an assessment to income tax has been made on a woman for the year 1990-91 or any subsequent year of assessment, and
 - (b) the woman's income for an earlier year was treated as that of her husband by virtue of section 279 of the Taxes Act 1988,
- assessments to income tax for the earlier year may be made on him if they could have been made in accordance with section 37 of the Taxes Management Act 1970 had the assessment mentioned in sub-paragraph (a) above been made on him.

Transfers of allowances

- 30 For the year 1990-91 and subsequent years of assessment the Taxes Management Act 1970 shall have effect with the insertion of the following section after section 37—

“37A Effect of assessment where allowances transferred

Where an assessment is made on any person for the purpose of making good a loss of tax wholly or partly attributable to fraud, wilful default or neglect, the fact that the person's total income for any year of assessment

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is assessed as greater than it was previously taken to be shall not affect the validity of any deduction made from the total income of the person's spouse by virtue of section 257B, 257D or 265 of the principal Act; and where any such deduction has been made in such a case, the total amount which the first-mentioned person is entitled to deduct from total income for the year in question shall be correspondingly reduced."

Class 4 social security contributions

31 For the year 1990-91 and subsequent years of assessment Schedule 2 to the Social Security Act 1975 and the Social Security (Northern Ireland) Act 1975 (Class 4 contributions) shall have effect with the substitution of the following for paragraph 3(3)—

“(3) Where in a year for which a person claims and is allowed relief by virtue of sub-paragraph (1) above there falls to be made in computing his total income for income tax purposes a deduction in respect of any loss in any relevant trade, profession or vocation—

- (a) the amount of the deduction shall, as far as may be, be treated for the purpose of the charge to Class 4 contributions as reducing the person's profits or gains for that year of any relevant trade, profession or vocation, and
- (b) any excess shall be treated for that purpose as reducing such profits or gains for subsequent years (being deducted as far as may be from those of the immediately following year, whether or not the person claims or is entitled to claim relief under this paragraph for that year, and, so far as it cannot be so deducted, then from those of the next year, and so on).”

Annual payments

32 Section 36 of this Act shall have effect in relation to a payment which is due from a husband to his wife or from a wife to her husband at a time after 5th April 1990 when they are living together, notwithstanding that the payment is made in pursuance of an obligation which is an existing obligation for the purposes of subsection (3) of that section.

Maintenance payments

33 For the year 1990-91 and subsequent years of assessment section 38(5) of this Act shall have effect with the substitution of the words “specified in section 257A(1) of the Taxes Act 1988 for the year” for the words “of the difference between” onwards.