

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, SCHEDULE 7. (See end of Document for details)

SCHEDULES

SCHEDULE 7

Section 79.

TRANSFER OF CHARGE UNDER SCHEDULE C TO SCHEDULE D

Amendments of the Taxes Act 1988

1 The Taxes Act 1988 shall be amended in accordance with paragraphs 2 to 28 below.

F12

Textual Amendments

F1 Sch. 7 para. 2 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

3 Section 17 (Schedule C) shall be omitted.

4 F2(1)

(2) In subsection (3) of that section—

F3(a)

(b) in Case IV, the words “except such income as is charged under Schedule C” shall be omitted; and

F4(c)

F5(3)

F5(4)

Textual Amendments

F2 Sch. 7 para. 4(1) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F3 Sch. 7 para. 4(2)(a) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F4 Sch. 7 para. 4(2)(c) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F5 Sch. 7 para. 4(3)(4) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F65

Textual Amendments

F6 Sch. 7 para. 5 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

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6 For the heading to Part III there shall be substituted the following heading— “
Government Securities ”

7 Section 44 (mode of charge of tax under Schedule C) shall be omitted.

8 Section 45 (interpretation of Part III) shall be omitted.

9 Section 48 (securities of foreign states) shall be omitted.

10 In section 49 (stock and dividends in name of Treasury etc.), after subsection (2)
there shall be inserted the following subsection—

“(3) In this section “dividends” means any interest, public annuities, dividends
or shares of annuities.”

11 In sections 50(1) and 51A(1) (which provide for interest on certain securities to be
paid without deduction of tax), the words “but shall be chargeable to tax under Case
III of Schedule D” shall in each case be omitted.

12 Section 52 (taxation of interest on converted securities and interest which becomes
subject to deduction) shall be omitted.

13 Section 123 (foreign dividends) shall be omitted.

14 In section 124—

(a) in subsection (6) (definitions in connection with quoted Eurobonds),
the definitions of “recognised clearing system” and “relevant foreign
securities”, and the word “and” immediately preceding those definitions,
and

(b) subsection (7),
shall be omitted.

F7 15

Textual Amendments
F7 Sch. 7 para. 15 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1),
[Sch. 3](#) (with [Sch. 2](#))

16 In section 398 (transactions in deposits with and without certificates or in debts),
in paragraph (b), the words “C or” shall be omitted.

F8 17

Textual Amendments
F8 Sch. 7 para. 17 repealed (with effect in accordance with Sch. 43 Pt. 5(3) Note of the amending Act) by
[Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(3\)](#)

18 In section 474 (treatment of tax-free income), subsections (1) and (3) shall be
omitted.

F9 19

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Textual Amendments

F9 Sch. 7 para. 19 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

F1020

Textual Amendments

F10 Sch. 7 para. 20 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

21 (1) In section 516 (government securities held by non-resident central banks), in subsection (1), for “dividends (within the meaning of Schedule C) paid out of the public revenue of the United Kingdom where they are” there shall be substituted “ income from securities which is payable out of the public revenue of the United Kingdom and which is ”.

(2) In subsection (2) of that section, for “such dividends” there shall be substituted “ such income ”.

22 In section 582A (designated international organisations), subsection (3) shall be omitted.

F1123

Textual Amendments

F11 Sch. 7 para. 23 omitted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 25 para. 9(3)(c)

F1224

Textual Amendments

F12 Sch. 7 para. 24 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

25 In section 832(1) (interpretation of the Tax Acts), the definition of “recognised clearing system” shall be omitted.

F1326

Textual Amendments

F13 Sch. 7 para. 26 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

27 Schedule 3 (machinery for payment of income tax under Schedule C and, in certain cases, Schedule D) shall be omitted.

F1428

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Textual Amendments

F14 Sch. 7 para. 28 repealed (28.7.2000) by 2000 c. 17, s. 156, Sch. 40 Pt. II(17)

Other amendments

- 29 In the Table in section 98 of the ^{M1}Taxes Management Act 1970 (penalties in respect of certain information provisions)—
- (a) in the first column, the entry relating to paragraph 13(1) of Schedule 3 to the Taxes Act 1988, and
 - (b) in the second column, the entry relating to paragraph 6C of that Schedule, shall be omitted.

Marginal Citations

M1 1970 c. 9.

- 30 In section 178(2)(m) of the ^{M2}Finance Act 1989 (provisions to which power to set rates of interest applies), the words “and paragraph 6B of Schedule 3 to” shall be omitted.

Marginal Citations

M2 1989 c. 26.

- 31 In section 128 of the ^{M3}Finance Act 1995 (limit on income chargeable on non-residents: income tax), in subsection (3)(a), the words “Schedule C,” shall be omitted.

Marginal Citations

M3 1995 c. 4.

Commencement, etc.

- 32 Subject to paragraphs 33 and 34 below, this Schedule has effect—
- (a) for the purposes of income tax, for the year 1996-97 and subsequent years of assessment;
 - (b) for the purposes of corporation tax, for accounting periods ending after 31st March 1996.

Position of paying and collecting agents

- 33 (1) Subject to the following provisions of this paragraph and paragraph 34 below—
- (a) nothing in section 79 of this Act or this Schedule shall affect the obligations of any person under Schedule 3, in relation to times to which this paragraph applies, to set apart, retain or pay any amount of tax; and

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- (b) Schedule 3 shall have effect accordingly in relation to amounts set apart, retained or paid in pursuance of those obligations.
- (2) The repeal of Schedule 3 shall not affect the operation of paragraph 6B of that Schedule in relation to any amount—
 - (a) which became due and payable in relation to a transaction occurring before the day on which this Act was passed; but
 - (b) which remains unpaid at any time on or after that day.
- (3) The Board may by regulations make provision with respect to returns to be made for the quarter which includes both times before the day on which this Act was passed and times on and after that day.
- (4) Regulations under sub-paragraph (3) above may, in particular, provide that section 98 of the ^{M4}Taxes Management Act 1970 shall have effect as if it included a reference in the second column of the Table to any specified provision of the regulations.
- (5) In this paragraph “Schedule 3” means Schedule 3 to the Taxes Act 1988.

Marginal Citations

M4 1970 c. 9.

Position of taxpayers

- 34
- (1) Transitional payments of tax made on a person’s behalf in relation to times to which this paragraph applies shall be treated as made only for the purpose of being applied in the discharge of that person’s liability to tax charged under Schedule D.
 - (2) If a transitional payment of tax has been made on a person’s behalf, but it appears to the Board that—
 - (a) that person was not liable to tax, or
 - (b) the sum paid exceeded his liability,the Board shall make or allow such repayments, adjustments or set-offs against unpaid tax as they think appropriate.
 - (3) In this paragraph “transitional payment of tax” means a payment to which paragraph 33 above applies.

Times to which paragraphs 33 and 34 apply

- 35
- Paragraphs 33 and 34 above apply in relation to times falling—
 - (a) within a year of assessment or an accounting period mentioned in paragraph 32 above, but
 - (b) before the day on which this Act was passed.

Changes to legislation:

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