



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 5

#### MISCELLANEOUS INCOME

#### CHAPTER 5

#### SETTLEMENTS: AMOUNTS TREATED AS INCOME OF SETTLOR [<sup>F1</sup>OR FAMILY]

#### *Other supplementary provisions*

#### **646 Adjustments between settlor and trustees etc.**

- (1) A settlor is entitled to recover from—
  - (a) any trustee, or
  - (b) any other person to whom the income is payable in connection with the settlement,the amount of any tax paid by the settlor which became chargeable on the settlor under section 624 or 629.
- (2) For this purpose, the settlor may require [<sup>F1</sup>an officer of Revenue and Customs] to provide the settlor with a certificate specifying—
  - (a) the amount of income in respect of which the settlor has so paid tax, and
  - (b) the amount of tax so paid.
- (3) A certificate provided under subsection (2) is conclusive evidence of the facts stated in it.

[<sup>F2</sup>(4) Subsection (5) applies if a settlor chargeable to tax under section 624 or 629 obtains a repayment by reason of the payment of the tax by—

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- (a) any trustee, or
  - (b) any other person to whom the income is payable by virtue of or as a result of the settlement.]
- (5) The settlor must pay an amount equal to the [<sup>F3</sup>repayment] to—
- (a) the trustee, or
  - (b) the other person to whom the income is payable by virtue of or as a result of the settlement.
- (6) If there are two or more such persons, the amount must be apportioned among them as the case may require.
- [<sup>F4</sup>(6A) For the purpose of subsection (5), the settlor may require an officer of Revenue and Customs to provide the settlor with a certificate specifying—
- (a) that the settlor has obtained a repayment as mentioned in subsection (4), and
  - (b) the amount of the repayment.
- (6B) A certificate provided under subsection (6A) is conclusive evidence of the facts stated in it.]
- (7) [<sup>F5</sup>Subject to subsections (6A) and (6B), any] question as to—
- (a) the amount of a payment under subsection (5), or
  - (b) an apportionment to be made under subsection (6),
- is to be decided by the [<sup>F6</sup>tribunal and, notwithstanding the provisions of sections 11 and 13 of the Tribunals, Courts and Enforcement Act 2007, the decision of the tribunal is final].
- (8) Nothing in sections 624 to 632 is to be read as excluding a charge to tax on the trustees as persons by whom any income is received.

#### **Textual Amendments**

- F1** Words in s. 646(2) substituted (18.4.2005) by Commissioners for Revenue and Customs Act 2005 ss. 50, 53(1), {Sch. 4 para. 132(1)}; [S.I. 2005/1126, art. 2\(h\)](#)
- F2** S. 646(4) substituted (16.12.2010) (with effect in accordance with s. 7(6) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\), s. 7\(2\)](#)
- F3** Word in s. 646(5) substituted (16.12.2010) (with effect in accordance with s. 7(6) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\), s. 7\(3\)](#)
- F4** S. 646(6A)(6B) inserted (16.12.2010) (with effect in accordance with s. 7(6) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\), s. 7\(4\)](#)
- F5** Words in s. 646(7) substituted (16.12.2010) (with effect in accordance with s. 7(6) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\), s. 7\(5\)](#)
- F6** Words in s. 646(7) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\), art. 1\(2\), Sch. 1 para. 441](#)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 7A-7D inserted by [2022 c. 3 Sch. 1 para. 3](#)
- s. 31E(4) inserted by [2022 c. 3 Sch. 1 para. 7\(3\)](#)
- s. 649(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 11\(2\)](#)
- s. 679(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(5\)\(b\)](#)
- s. 679A(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(6\)\(b\)](#)
- s. 680(1A) inserted by [2023 c. 30 Sch. 2 para. 11\(7\)\(a\)](#)