



Finance Act 2005

2005 CHAPTER 7

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 4

TRUSTS WITH VULNERABLE BENEFICIARY

Income tax

26 Amount of relief

[^{F1}(1)] The trustees' liability to income tax for the tax year is to be reduced by an amount equal to—

$$\text{TQTI} - \text{VQTI}$$

where—

TQTI is an amount determined in accordance with section 27 (income tax liability of trustees in respect of qualifying trusts income), and

VQTI is an amount determined in accordance with section 28 (extra [^{F2} income] tax to which vulnerable person would be liable if qualifying trusts income were income of his).

[^{F3}(2) The tax reduction is given effect at Step 6 of the calculation in section 23 of ITA 2007.]

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2005, Section 26. (See end of Document for details)*

Textual Amendments

- F1** S. 26(1) renumbered (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 594** (with [Sch. 2](#))
- F2** Word in s. 26(1) inserted (with effect in accordance with Sch. 2 para. 22 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 2 para. 13**
- F3** S. 26(2) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 594** (with [Sch. 2](#))

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2005, Section 26.