

*These notes refer to the Income Tax Act 2007 (c.3)
which received Royal Assent on 20 March 2007*

INCOME TAX ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 10: Special rules about charitable trusts etc

Overview

Section 520: Gifts entitling donor to gift aid relief: income tax treated as paid

1557. This section specifies that charitable trusts receiving gift aid donations from individuals are treated as receiving a grossed up amount, and that the tax treated as deducted from the gift is treated as paid by the charitable trust. It is based on section 25(10) and (12) of FA 1990.
1558. This paves the way for section 521. In particular, it is what enables charitable trusts to recover income tax treated as deducted by individual donors in cases where the gift is chargeable but exempt (which is normally the case). It also means that, in a case where the gift is chargeable and not exempt, that this income tax is available to be set against any liability.