

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

# INCOME TAX ACT 2007

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### **Part 5: Enterprise investment scheme**

##### **Overview**

#### **Chapter 6: Withdrawal or reduction of EIS relief**

##### **Overview**

#### **Section 229: Maximum relief not obtained for share issue**

725. This section deals with the case where EIS relief on a subscription for shares was obtained for a tax year at a rate that is less than the savings rate for that tax year. It is based on sections 299(4) and 303(1C) of ICTA.
726. *Subsection (1)* caters for the case where an individual claims EIS relief on some, but not all, of the shares in respect of which the individual is eligible for relief. See the commentary on section 158 and *Change 36* in Annex 1.
727. *Subsection (2)* lowers the rate at which section 224(2) recovers EIS relief on the repayment. The rate of recovery is reduced to the rate at which EIS relief was effectively obtained.
728. *Subsections (3)* and *(4)* are new and correspond to provisions in paragraph 56(7) and (8) of Schedule 15 to FA 2000 (corporate venturing scheme - value received by other persons). See *Change 48* in Annex 1.