



Income Tax Act 2007

2007 CHAPTER 3

PART 10

SPECIAL RULES ABOUT CHARITABLE TRUSTS ETC

Gifts and other payments

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

- (1) This section applies if a gift is made to a charitable trust by an individual and the gift is a qualifying donation for the purposes of Chapter 2 of Part 8 (gift aid).
- (2) The charitable trust is treated as receiving, under deduction of income tax at the basic rate for the tax year in which the gift is made, a gift of an amount equal to the grossed up amount of the gift.
- (3) The grossed up amount of the gift is the amount of the gift grossed up by reference to the basic rate for the tax year in which the gift is made.
- (4) The income tax treated as deducted is treated as income tax paid by the trustees of the charitable trust.

521 Gifts entitling donor to gift aid relief: income tax liability and exemption

- (1) This section applies if gifts are made to charitable trusts by individuals and the gifts are qualifying donations for the purposes of Chapter 2 of Part 8 (gift aid).
- (2) Income tax is charged on the gifts under this section.
- (3) It is charged on the grossed up amount of the gifts arising in the tax year.
- (4) But a gift is not taken into account in calculating total income so far as it is applied to charitable purposes only.
- (5) The grossed up amount of a gift is the amount of the gift grossed up by reference to the basic rate for the tax year in which the gift is made.

Status: Point in time view as at 19/12/2012.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading: Gifts and other payments. (See end of Document for details)

(6) The trustees of the charitable trust are liable for any tax charged under this section.

[^{F1}(7) Schedule 19 to FA 2008 contains provision for transitional payments to charitable trusts in respect of gifts made in the tax years 2008-09 to 2010-11.]

Textual Amendments

F1 S. 521(7) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 19 para. 9](#)

[^{F2}521A Gifts under payroll deduction schemes: income tax liability and exemption

(1) This section applies if gifts are made to charitable trusts by individuals and the gifts are donations for the purposes of Part 12 of ITEPA 2003 (payroll giving).

(2) Income tax is charged on the gifts under this section.

(3) It is charged on the full amount of the gifts arising in the tax year.

(4) But a gift is not taken into account in calculating total income so far as it is applied to charitable purposes only.

(5) The trustees of the charitable trust are liable for any tax charged under this section.]

Textual Amendments

F2 S. 521A inserted (8.4.2010 with effect in accordance with Sch. 8 para. 8(1) of the amending Act) by [Finance Act 2010 \(c. 13\)](#), [Sch. 8 para. 1\(1\)](#)

522 Gifts of money from companies: income tax liability and exemption

(1) This section applies if gifts of sums of money are made to charitable trusts by companies.

(2) But this section does not apply to a gift of a sum of money made by a company that is itself a charity (see section 523).

(3) Income tax is charged on the gifts under this section.

(4) It is charged on the full amount of the gifts arising in the tax year.

(5) But a gift is not taken into account in calculating total income so far as it is applied to charitable purposes only.

(6) The trustees of the charitable trust are liable for any tax charged under this section.

523 Payments from other charities: income tax liability and exemption

(1) This section applies to payments which—

- (a) are received by charitable trusts from other charities,
- (b) are not made for full consideration in money or money's worth,
- (c) are not charged to income tax, apart from this section, and
- (d) are not of a description which (on a claim) would be exempt from income tax under any of the exemptions conferred by this Part.

Status: Point in time view as at 19/12/2012.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading: Gifts and other payments. (See end of Document for details)

- (2) This section does not apply to a payment which arises from a source outside the United Kingdom.
- (3) Income tax is charged under this section on the payments.
- (4) It is charged on the full amount of the payments arising in the tax year.
- (5) But a payment is not taken into account in calculating total income so far as it is applied to charitable purposes only.
- (6) The amount charged under this section in the case of certain payments made by the trustees of a charitable trust in the exercise of a discretion is subject to section 494 (grossing up of discretionary payments from trusts).
- (7) The trustees of the charitable trust are liable for any tax charged under this section.

Status:

Point in time view as at 19/12/2012.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading: Gifts and other payments.