



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 9

#### SPECIAL RULES ABOUT SETTLEMENTS AND TRUSTEES

### CHAPTER 7

#### DISCRETIONARY PAYMENTS

#### *[<sup>F1</sup>Tax pool]*

#### Textual Amendments

- F1** S. 497 cross-heading inserted (with effect in accordance with art. 3(7) of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2010 \(S.I. 2010/157\)](#), arts. 1, **3(4)** (with art. 3(10))

#### **497 Calculation of trustees' tax pool**

- (1) Take the following steps to calculate the amount of the trustees' tax pool available for a tax year ("the current tax year").

This is subject to subsections (2) and (3).

##### *Step 1*

Take the amount of the trustees' tax pool available for the previous tax year and deduct from that amount (but not so that it goes below nil)<sup>F2</sup>—

- (a) the total amount of income tax treated under section 494 as having been paid as a result of payments made by the trustees in the previous tax year<sup>F3</sup>, and
- (b) the amount to which the trustees are entitled under section 496B in respect of the previous tax year.]

##### *Step 2*

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*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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Add together all amounts of income tax for which the trustees are liable for the current tax year and which are of a type set out in section 498.

*Step 3*

Add the sum calculated at Step 2 to the amount resulting from Step 1.

- (2) If the trustees were non-UK resident for the previous tax year, references in subsection (1) to the previous tax year are to be read as references to the last tax year prior to the current tax year for which the trustees were UK resident.
- (3) If—
- (a) the current tax year is the tax year during which the settlement is established, or
  - (b) the trustees have been UK resident for no tax year prior to the current tax year, ignore Steps 1 and 3 and, accordingly, the trustees' tax pool available for the current tax year is the sum calculated at Step 2.

**Textual Amendments**

- F2** Word in s. 497(1) inserted (with effect in accordance with art. 3(8) of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2010 \(S.I. 2010/157\)](#), arts. 1, **3(5)(a)** (with art. 3(10))
- F3** Words in s. 497(1) inserted (with effect in accordance with art. 3(8) of the amending S.I.) by [The Enactment of Extra-Statutory Concessions Order 2010 \(S.I. 2010/157\)](#), arts. 1, **3(5)(b)** (with art. 3(10))

**Changes to legislation:**

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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. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)