Income Tax Act 2007

2007 CHAPTER 3

PART 7

COMMUNITY INVESTMENT TAX RELIEF

CHAPTER 6

WITHDRAWAL OR REDUCTION OF CITR

Receipts of value

365 Receipts of insignificant value to be added together

(1) This section applies if—

(a) value is received ("the relevant receipt") by the investor from the CDFI at any time during the 6 year period relating to the investment,

(b) the investor has received from the CDFI one or more receipts of insignificant value at a time or times—

(i) during that period, but

(ii) not later than the time of the relevant receipt, and

(c) the total amount of the value of the receipts within paragraph (a) and (b) is not an amount of insignificant value.

(2) The investor is treated for the purposes of this Part as if the relevant receipt had been a receipt of an amount of value equal to that total amount.

(3) A receipt does not fall within subsection (1)(b) if the whole or any part of it has previously formed part of a total amount falling within subsection (1)(c).

(4) For the purposes of this section "an amount of insignificant value" means an amount of value which—

(a) is not more than £1,000, or

(b) if it is more than £1,000, is insignificant in relation to the relevant amount.

(5) If the investment consists of a loan, the relevant amount for the purposes of subsection (4) is—

(a) if the relevant receipt is received in the first or second year of the 6 year period, the average capital balance of the loan for the second year of that period, and

(b) if the relevant receipt is received in a later year, the average capital balance of the loan for the year in question.

(6) For the purposes of subsection (5)—

(a) the average capital balance of the loan for a year is the mean of the daily balances of capital outstanding during the year, and

(b) the relevant receipt and any receipts within subsection (1)(b) are ignored when calculating the average capital balance for the year in question.

(7) If the investment consists of securities or shares, the relevant amount for the purposes of subsection (4) is—

(a) if the relevant receipt is received in the first year of the 6 year period, the amount subscribed for the securities or shares, and

(b) in any other case, the amount subscribed for such of the securities or shares as—

(i) are held by the investor at the time the relevant receipt is received, and

(ii) have been held by the investor, as sole beneficial owner, continuously since the investment was made.