



Income Tax Act 2007

2007 CHAPTER 3

PART 8

OTHER RELIEFS

CHAPTER 1

INTEREST PAYMENTS

The relief: introduction

384 General restrictions on relief under Chapter

- (1) Relief is not to be given under this Chapter for interest on a debt incurred—
 - (a) by overdrawing an account, or
 - (b) by debiting the account of any person as the holder of a credit card or under similar arrangements.
- (2) If [^{F1}the interest paid on a loan in a tax year exceeds a reasonable commercial amount of interest on the loan for the relevant period], relief is not to be given under this Chapter for so much of the interest as represents the excess.
- [^{F2}(3) The relevant period is the tax year or, if the loan exists for part only of the tax year, the part of the tax year for which the loan exists.
- (4) A reasonable commercial amount of interest on the loan for the relevant period is an amount which, together with any interest paid before that period (other than unrelieved interest), represents a reasonable commercial rate of interest on the loan from the date it was made to the end of that period.
- (5) “Unrelieved interest” means interest which because of subsection (2) is not eligible for relief under this Chapter.]

Changes to legislation: *There are currently no known outstanding effects for the Income Tax Act 2007, Section 384. (See end of Document for details)*

Textual Amendments

- F1** Words in s. 384(2) substituted (21.7.2008 with effect in accordance with Sch. 22 para. 21(4) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 22 para. 21(2)**
- F2** S. 384(3)-(5) inserted (21.7.2008 with effect in accordance with Sch. 22 para. 21(4) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 22 para. 21(3)**

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Section 384.