

# **FINANCE ACT 2009**

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## **EXPLANATORY NOTES**

### **INTRODUCTION**

#### ***Section 68: Employment Loss Relief***

##### **Details of the Section**

2. New subsection (5A) provides that no claim is allowed under section 128 of ITA for losses derived from arrangements the main purpose, or one of the main purposes, of which is the avoidance of tax.
3. Subsection (2) provides that the new subsection (5A) has effect from 2009-10 onwards, and also in relation to 2008-09 claims made under section 128 only where a loss is occasioned by an act or omission occurring on or after 12 January 2009.
4. Subsection (3) ensures that where a person has made a claim for relief during the period 12 January 2009 to 1 April 2009 no penalty is payable on the ground that any return, statement or declaration made in connection with the claim contained an inaccuracy if it would not have done so but for the new subsection (5A).
5. Subsection (4) modifies the reference to due date in section 59C of the Taxes Management Act 1970 so that in relation to tax which would not be payable but for the new subsection (5A) the reference in section 59C to the due date becomes the later of 1 April 2009 and the due date. The effect of this is that a person who has made a claim for relief that is precluded by the new subsection (5A) and would otherwise be liable to surcharges under section 59C will not be liable to such surcharges provided they re-order their affairs and pay any additional tax due in accordance with the proposed changes within 28 days starting on the 1 April 2009.