



# Taxation (International and Other Provisions) Act 2010

## 2010 CHAPTER 8

### PART 3

#### DOUBLE TAXATION RELIEF FOR SPECIAL WITHHOLDING TAX

*Calculation of income or gain on remittance basis where special withholding tax levied*

#### **143 Taking account of special withholding tax in calculating income or gains**

- (1) Subsection (2) applies if—
  - (a) each of conditions A to D of section 142 is met, and
  - (b) income tax is payable by reference to the amount of the savings income received in the United Kingdom.
- (2) For income tax purposes, the amount received is increased by the amount of special withholding tax—
  - (a) levied in respect of it, and
  - (b) in respect of which a claim under this Part has been made.
- (3) Subsection (4) applies if—
  - (a) each of conditions A to D of section 142 is met, and
  - (b) capital gains tax is payable by reference to the amount of the chargeable gain received in the United Kingdom.
- (4) For capital gains tax purposes, the amount received is increased by the amount given by—

$$SWT \times \frac{GUK}{G - SWT}$$

where—

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*Changes to legislation:* There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 143. (See end of Document for details)

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SWT is the amount of special withholding tax—

- (a) levied in respect of the whole or the part of the consideration for the disposal, and
- (b) in respect of which a claim has been made under this Part,

GUK is the amount of the chargeable gain received in the United Kingdom, and

G is the amount of the chargeable gain accruing to the person on the disposal.

(5) Subsection (6) applies if—

- (a) each of conditions A to D of section 142 is met, and
- (b) neither subsection (2) nor subsection (4) applies.

(6) In calculating—

- (a) the amount of the income for income tax purposes, or
- (b) the amount of any chargeable gain for capital gains tax purposes,

no deduction is to be made for special withholding tax in respect of which a claim has been made under this Part (whether special withholding tax in respect of the same, or any other, income or in respect of the same, or any other, chargeable gains).

**Modifications etc. (not altering text)**

- C1** S. 143 applied (with modifications) (coming into force in accordance with s. 218(2) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 36 para. 16\(6\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Taxation (International and Other Provisions) Act 2010, Section 143.