STATUTORY INSTRUMENTS

2002 No. 2006

The Tax Credits (Definition and Calculation of Income) Regulations 2002

PART 2

Income for the purposes of tax credits

CHAPTER 10

Notional Income

Claimants treated for any purpose as having income by virtue of the Income Tax Acts

14.—(1) If an amount is treated for any purpose as the claimant's income under any provision mentioned in paragraph (2), he is to be treated as having that amount of income **[**[F1], but this is subject to paragraph (1A)**]**.

[[F2](1A) Where paragraph (2)(b)(x) or (2)(b)(xi) applies, the amount of income that the claimant is to be treated as having is:

$$x - y$$

where

"x" is the amount of income under section 652, 654 or 655 of ITTOIA, and

"y" is the amount that would, but for section 272A of that Act, be deductible in calculating the profits for income tax purposes of a property business for the profits year.

(1B) In paragraph (1A) "profits year" has the meaning given by section 274A of ITTOIA (reduction for individuals).**]**

(2) The provisions mentioned in paragraph (1) are—

(a) the following provisions of the Taxes Act—

[F3](i) . . . . . .

[F3](ii) . . . . . .

[F3](iii) . . . . . .

[F3](iv) . . . . . .

[F3](v) . . . . . .

[F3](vi) . . . . . .

[F3](vii) . . . . . .

[F3](viii) . . . . . .

(ix) section 714 (transfers of securities: treatment of deemed sums and reliefs) [M1] or 716 (transfer of unrealised interest);

(x) section 730 (transfer of income arising from securities) [M2];

[F4](xi) . . . . . .

[F5](xii) . . . . . .

[F6](xiii) . . . . . .

(xiv) section 761 (charge to income tax of offshore income gain) [M3]; and

[F7](xv) . . . . . .

[[F8](b) the following provisions of ITTOIA—

(i) sections 277 to 283 (amounts treated as receipts: leases);

(ii) Chapter 5 of Part 4 (stock dividends from UK resident companies);

(iii) Chapter 6 of Part 4 (release of loan to participator in close company);

(iv) section 427 (charge to tax on profits from deeply discounted securities);

(v) Chapter 11 of Part 4 (transactions in deposits);

(vi) sections 624 to 628 (income treated as income of settlor: retained interests);

(vii) sections 629 to 632 (income treated as income of settlor: unmarried children);

(viii) section 633 (capital sums paid to settlor by trustees of settlement);

(ix) section 641 (capital sums paid to settlor by body connected with settlement);

(x) section 652 (estate income: absolute interests in residue); and

(xi) sections 654 to 655 (estate income: interests in residue); and

[[F9](ba) the following provisions of ITA—

(i) Chapter 5 of Part 11 (price differences under repos);

(ii) Chapter 2 of Part 13 (transfer of assets abroad); and

(iii) Chapter 3 of Part 13 (transactions in land).**]**

(c) section 84 and Schedule 15 to the Finance Act 2004 (charge to income tax by reference to enjoyment of property previously owned).**]**

Textual Amendments

F1 Words in reg. 14(1) inserted (6.4.2018) by The Tax Credits and Childcare (Miscellaneous Amendments) Regulations 2018 (S.I. 2018/365), regs. 1, **2(5)(a)**

F2 Reg. 14(1A)(1B) inserted (6.4.2018) by The Tax Credits and Childcare (Miscellaneous Amendments) Regulations 2018 (S.I. 2018/365), regs. 1, **2(5)(b)**

F3 Reg. 14(2)(a)(i)-(viii) omitted (6.4.2006) by virtue of The Tax Credits (Miscellaneous Amendments) Regulations 2006 (S.I. 2006/766), regs. 1, **17(2)**

F4 Reg. 14(2)(a)(xi) omitted (16.5.2007) by virtue of The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2007 (S.I. 2007/1305), regs. 1, **8(2)(a)**

F5 Reg. 14(2)(a)(xii) omitted (16.5.2007) by virtue of The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2007 (S.I. 2007/1305), regs. 1, **8(2)(b)**

F6 Reg. 14(2)(a)(xiii) omitted (16.5.2007) by virtue of The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2007 (S.I. 2007/1305), regs. 1, **8(2)(c)**

F7 Reg. 14(2)(a)(xv) omitted (16.5.2007) by virtue of The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2007 (S.I. 2007/1305), regs. 1, **8(2)(d)**

F8 Reg. 14(2)(b)(c) substituted for reg. 14(2)(b) (6.4.2006) by The Tax Credits (Miscellaneous Amendments) Regulations 2006 (S.I. 2006/766), regs. 1, **17(3)**

F9 Reg. 14(2)(ba) inserted (16.5.2007) by The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2007 (S.I. 2007/1305), regs. 1, **8(3)**

Marginal Citations

M1 Section 714 was amended by Part 5(3) of Schedule 41 to the Finance Act 1996.

M2 Section 730 was amended by paragraph 23 of Schedule 7 to the Finance Act 1996.

M3 Section 761 was amended by paragraph 11 of Schedule 14 to the Finance Act 1990 (c.29) and paragraph 14(47) of Schedule 10, and Schedule 12, to the Taxation of Chargeable Gains Act 1992.

Changes to legislation:
There are currently no known outstanding effects for the The Tax Credits (Definition and Calculation of Income) Regulations 2002, Section 14.