



Finance Act 1981

1981 CHAPTER 35

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

46 Transfer of assets abroad: other provisions

- (1) No amount of income shall be taken into account more than once in charging tax under the provisions of section 478 of the Taxes Act (prevention of tax avoidance by transfer of assets abroad) and section 45 above; and where there is a choice as to the persons in relation to whom any amount of income can be so taken into account—
 - (a) it shall be so taken into account in relation to such of them, and if more than one in such proportions respectively, as appears to the Board to be just and reasonable; and
 - (b) the jurisdiction of the Special Commissioners on any appeal against an assessment charging tax under those provisions shall include jurisdiction to review any relevant decision taken by the Board under this subsection.
- (2) In subsection (1) above references to an amount of income taken into account in charging tax are—
 - (a) in the case of tax which under section 478 is charged on income, to the amount of that income ;
 - (b) in the case of tax charged under that section by virtue of section 480(4) of the Taxes Act, to an amount of the income out of which the benefit is provided equal to the amount or value of the benefit charged;
 - (c) in the case of tax charged under section 45 above, to the amount of relevant income taken into account under subsection (2) of that section in charging the benefit.

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

- (3) In subsection (2) of the said section 478 for the words "' capital sum' means" there shall be substituted the words "'capital sum' means, subject to subsection (2A) of this section " and after that subsection there shall be inserted—
- “(2A) For the purposes of subsection (2) of this section there shall be treated as a capital sum which an individual receives or is entitled to receive any sum which a third person receives or is entitled to receive at the individual's direction or by virtue of the assignment by him of his right to receive it.
- (2B) Income shall not by virtue of subsection (2) of this section be deemed to be that of an individual for any year of assessment by reason only of his having received a sum by way of loan if that sum has been wholly repaid before the beginning of that year.”
- (4) Subsection (2A) of the said section 478 as inserted by subsection (3) above shall not apply to any direction or assignment given or made before 6th April 1981.
- (5) In subsection (5) of the said section 478 (definition of power to enjoy) for paragraph (d) there shall be substituted—
- “(d) the individual may, in the event of the exercise or successive exercise of one or more powers, by whomsoever exercisable and whether with or without the consent of any other person, become entitled to the beneficial enjoyment of the income, or”.
- (6) After subsection (8) of the said section 478 there shall be inserted—
- “(9) . Any amount which by virtue of subsection (8)(d) of this section is treated as the income of any person for the purposes of this section shall also be treated for those purposes as payable to that person.”
- (7) After section 480(2) of the Taxes Act there shall be inserted—
- “(2A) An individual who is domiciled outside the United Kingdom shall not be chargeable to tax in respect of any income deemed to be his by virtue of the preceding provisions of this Chapter if he would not, by reason of his being so domiciled, have been chargeable to tax in respect of it if it had in fact been his income.”
- (8) So much of section 27(5) of the Finance Act 1975 (capital transfer tax liability of beneficiaries) as provides for a reduction to be made for income tax borne in respect of income shall apply also to income tax borne by virtue of section 478 of the Taxes Act or section 45 above in respect of property other than income.