



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4

SAVINGS AND INVESTMENT INCOME

CHAPTER 9

GAINS FROM CONTRACTS FOR LIFE INSURANCE ETC.

Income tax treated as paid and reliefs

537 Top slicing relieved liability: two or more chargeable events

To calculate an individual's relieved liability for the purposes of section 535(1) for a tax year for which the individual is liable for tax on gains from two or more chargeable events—

Step 1

Calculate the total annual equivalent by adding together the annual equivalents for each of the chargeable events, found as specified in step 1 in section 536(1).

Step 2

Find the total relieved liability on the total annual equivalent by—

- (a) calculating the individual's liability to income tax (if any) on the total annual equivalent, on the basis that—
 - (i) the total gains from the chargeable events are limited to the amount of the total annual equivalent, and
 - (ii) the highest part assumptions apply, and

Status: Point in time view as at 15/09/2016. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 537. (See end of Document for details)

- (b) subtracting the amount of income tax at the [^{F1}basic rate] on the total annual equivalent which the individual is treated as having paid under section 530(1).

Step 3

Multiply the total relieved liability on the total annual equivalent by the total gains charged to tax under this Chapter for the tax year in respect of all the events.

Step 4

Divide the result of step 3 by the total annual equivalent.

Textual Amendments

- F1** Words in s. 537 substituted (with effect in accordance with Sch. 1 para. 65) by [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 57](#)

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