



# Finance Act 2007

## 2007 CHAPTER 11

### PART 3

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Trusts*

#### **55 Trust income**

- (1) In section 686A(2)(a) of ICTA (receipts to be treated as income subject to special rate of tax: payment by company), after “made” insert “by way of qualifying distribution”.
- (2) In Type 1(b) in section 482 of ITA 2007 (types of amount to be charged at special rates for trustees), after “made” insert “by way of qualifying distribution”.
- (3) The amendments made by this section have effect in respect of payments made to the trustees of a settlement on or after 6th April 2006.

#### **56 Trust gains on contracts for life insurance**

- (1) Section 498 of ITA 2007 (trustees' tax pool) is amended as follows.
- (2) In subsection (1)—
  - (a) in Type 1, for “2 or 3” substitute “2, 3 or 3A”, and
  - (b) after Type 3 insert—

*“Type 3A* The amount of tax at the nominal rate on any amount in respect of which—

- (a) the trustees are liable to income tax under section 467 of ITTOIA 2005 (gains from contracts for life insurance etc),
- (b) the trustees are liable to income tax at the trust rate by virtue of section 482 above, and
- (c) tax at the savings rate is treated as having been paid by virtue of section 530 of ITTOIA 2005 (life insurance).”

*Status: Point in time view as at 01/07/2021.*

*Changes to legislation: Finance Act 2007, Cross Heading: Trusts is up to date with all changes known to be in force on or before 25 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

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(3) After subsection (2) insert—

“(2A) In relation to Type 3A, the reference to the nominal rate is a reference to a rate equal to the difference between the trust rate and the savings rate.”

(4) The amendments made by this section have effect in relation to gains arising to the trustees of a settlement on or after 6th April 2007.

**Status:**

Point in time view as at 01/07/2021.

**Changes to legislation:**

Finance Act 2007, Cross Heading: Trusts is up to date with all changes known to be in force on or before 25 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.