



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 1

#### OVERVIEW

#### 1 Overview of Income Tax Acts

- (1) The following Acts make provision about income tax—
  - (a) ITEPA 2003 (which is about charges to tax on employment income, pension income and social security income [<sup>F1</sup>and makes provision for the high income child benefit charge]),
  - (b) ITTOIA 2005 (which is about charges to tax on trading income, property income, savings and investment income and some other miscellaneous income), and
  - (c) this Act (which contains the other main provisions about income tax).
- (2) There are also provisions about income tax elsewhere: see in particular—
  - (a) [<sup>F2</sup>Part 2 of TIOPA 2010] (double taxation relief),
  - (b) CAA 2001 (allowances for capital expenditure), and
  - (c) Part 4 of FA 2004 (pension schemes etc).
- (3) Schedule 1 to the Interpretation Act 1978 (c. 30) defines “the Income Tax Acts” (as all enactments relating to income tax).

#### Textual Amendments

- F1** Words in s. 1(1)(a) inserted (17.7.2012) (with effect in accordance with Sch. 1 para. 7 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 1 para. 6\(2\)](#)
- F2** Words in s. 1(2)(a) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 72](#) (with Sch. 9 paras. 1-9, 22)

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**2 Overview of Act**

(1) This Act has 17 Parts.

(2) Part 2 contains basic provisions about income tax including—

- (a) provision about the annual nature of income tax (Chapter 1),
- (b) the rates at which income tax is charged (Chapter 2), and
- (c) the calculation of income tax liability (Chapter 3).

(3) Part 3 is about taxpayers' personal reliefs including—

- (a) personal allowances (Chapter 2),
- (b) blind persons' allowances (Chapter 2), and
- (c) tax reductions for married couples and civil partners (Chapter 3).

(4) Part 4 is about loss relief including relief for—

- (a) trade losses (Chapters 2 and 3),
- (b) losses from property businesses (Chapter 4),
- (c) losses in an employment or office (Chapter 5),
- (d) losses on disposal of shares (Chapter 6), and
- (e) losses from miscellaneous transactions (Chapter 7).

(5) Part 5 is about relief under the enterprise investment scheme.

[<sup>F3</sup>(5A) Part 5A is about relief under the seed enterprise investment scheme.]

(6) Part 6 is about—

- (a) relief for investment in venture capital trusts, and
- (b) other matters relating to venture capital trusts.

(7) Part 7 is about community investment tax relief.

(8) Part 8 is about a variety of reliefs including relief for—

- (a) interest payments (Chapter 1),
- (b) gifts to charity including gift aid (Chapters 2 and 3),
- (c) annual payments <sup>F4</sup>... (Chapter 4), and
- (d) maintenance payments (Chapter 5).

(9) Part 9 contains special rules about settlements and trustees including—

- (a) general provision about settlements and trustees (Chapter 2),
- (b) special income tax rates for trusts (Chapters 3, 4, 5 and 6),
- (c) rules about trustees' expenses (Chapters 4 and 8),
- (d) rules about trustees' discretionary payments (Chapter 7),
- (e) <sup>F5</sup>... and
- (f) rules about heritage maintenance settlements (Chapter 10).

(10) Part 10 contains special rules about charitable trusts etc.

[<sup>F6</sup>(10A) Part 10A is about alternative finance arrangements.]

<sup>F7</sup>(11) .....

[<sup>F8</sup>(11ZA) Part 11ZA is about manufactured payments.]

[<sup>F9</sup>(11A) Part 11A is about leasing arrangements involving finance leases or loans.]

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- (12) Part 12 is about accrued income profits.
- [<sup>F10</sup>(12A) Part 12A is about sale and lease-back etc.]
- (13) Part 13 is about tax avoidance in relation to—
- (a) transactions in securities (Chapter 1),
  - (b) transfers of assets abroad (Chapter 2),
  - (c) transactions in land (Chapter 3),
  - (d) sales of occupation income (Chapter 4), <sup>F11</sup>...
  - (e) trade losses (Chapter 5) <sup>F12</sup>...
  - [<sup>F13</sup>(f) transfers of income streams (Chapter 5A).]
  - [<sup>F14</sup>(g) finance arrangements (Chapter 5B),
  - (h) loan or credit transactions (Chapter 5C),]
  - [<sup>F15</sup>(i) leases of plant and machinery (Chapter 6), and
  - (j) tax relief for interest (Chapter 7).]
- (14) Part 14 deals with some miscellaneous rules about income tax liability, including—
- [<sup>F16</sup>(za) an alternative basis for charge (the remittance basis) for certain income and gains of certain individuals (Chapter A1),]
  - (a) limits on liability to income tax for non-UK residents (Chapter 1),
  - [<sup>F17</sup>(aa) exemption for persons not domiciled in United Kingdom (Chapter 1A),]
  - (b) special rules about residence [<sup>F18</sup>and domicile (Chapters 2 and 2A)], <sup>F19</sup>...
  - [<sup>F20</sup>(ba) rules about UK representatives of non-UK residents (Chapters 2B and 2C),]
  - (c) rules about jointly held property (Chapter 3)[<sup>F21</sup>, and
  - (d) imposition of the charge to income tax on the receipts of certain types of company being wound up (Chapter 3A).]
- (15) Part 15 is about the deduction of income tax at source.
- (16) Part 16 contains definitions which apply for the purposes of the Income Tax Acts and other general provisions which apply for the purposes of those Acts.
- (17) Part 17—
- (a) contains provisions to be used in interpreting this Act,
  - (b) introduces Schedule 1 (minor and consequential amendments),
  - (c) introduces Schedule 2 (transitional provisions and savings),
  - (d) introduces Schedule 3 (repeals and revocations, including of spent enactments),
  - (e) introduces Schedule 4 (index of defined expressions that apply for the purposes of this Act),
  - (f) confers powers on the Treasury to make orders, and
  - (g) makes provision about the coming into force of this Act.

#### Textual Amendments

- F3** S. 2(5A) inserted (17.7.2012) (with effect in accordance with Sch. 6 para. 24(1) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 6 para. 7](#)
- F4** Words in s. 2(8)(c) omitted (with effect in accordance with s. 15(5) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [s. 15\(4\)\(a\)](#)

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- F5** S. 2(9)(e) omitted (6.4.2014) by virtue of The Unauthorised Unit Trusts (Tax) Regulations 2013 (S.I. 2013/2819), regs. 1(3), **37(2)** (with reg. 32)
- F6** S. 2(10A) inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 220** (with Sch. 9 paras. 1-9, 22)
- F7** S. 2(11) omitted (1.1.2014) by virtue of Finance Act 2013 (c. 29), Sch. 1 para. 52, **Sch. 29 para. 17(a)**
- F8** S. 2(11ZA) inserted (1.1.2014) by Finance Act 2013 (c. 29), Sch. 1 para. 52, **Sch. 29 para. 17(b)**
- F9** S. 2(11A) inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 238** (with Sch. 9 paras. 1-9, 22)
- F10** S. 2(12A) inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 257** (with Sch. 9 paras. 1-9, 22)
- F11** Word in s. 2(13)(d) omitted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 25 para. 9(5)**
- F12** Word in s. 2(13)(e) repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 8 para. 272, **Sch. 10 Pt. 10** (with Sch. 9 paras. 1-9, 22)
- F13** S. 2(13)(f) and word inserted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 25 para. 9(5)**
- F14** S. 2(13)(g)(h) inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 272** (with Sch. 9 paras. 1-9, 22)
- F15** S. 2(13)(i)(j) inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 7 para. 51** (with Sch. 9 paras. 1-9, 22)
- F16** S. 2(14)(za) inserted (21.7.2008 with effect in accordance with Sch. 7 para. 81 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 7 para. 75**
- F17** S. 2(14)(aa) inserted (with effect in accordance with s. 52(3) of the amending Act) by Finance Act 2009 (c. 10), **s. 52(2)**
- F18** Words in s. 2(14)(b) substituted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 7 para. 76** (with Sch. 9 paras. 1-9, 22)
- F19** Word in s. 2(14) repealed (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 8 para. 281(a), **Sch. 10 Pt. 11** (with Sch. 9 paras. 1-9, 22)
- F20** S. 2(14)(ba) inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 281(b)** (with Sch. 9 paras. 1-9, 22)
- F21** S. 2(14)(d) and preceding word inserted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 7 para. 69** (with Sch. 9 paras. 1-9, 22)

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