



Income Tax Act 2007

2007 CHAPTER 3

PART 15

DEDUCTION OF INCOME TAX AT SOURCE

CHAPTER 18

OTHER REGIMES INVOLVING THE DEDUCTION OF INCOME TAX AT SOURCE

Visiting performers

965 Overview of sections 966 to 970

- (1) Sections 966 to 970 make provision for the payment of sums representing income tax to the Commissioners for Her Majesty's Revenue and Customs where certain payments or transfers are made in connection with activities performed in the United Kingdom by non-UK resident entertainers, sportsmen and sportswomen.
- (2) See also—
 - [^{F1}section 1309 of CTA 2009] (entertainers and sportsmen) which makes provision in relation to such payments or transfers for the purposes of corporation tax,
 - Chapter 8 of Part 2 of ITEPA 2003 (application of provisions to workers under arrangements made by intermediaries), in particular section 48(2) (exclusions from the scope of the Chapter), and
 - sections 13 and 14 of ITTOIA 2005 (trades and trade profits: visiting performers).

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Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Chapter 18. (See end of Document for details)

Textual Amendments

- F1** Words in s. 965(2) substituted (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 715** (with Sch. 2 Pts. 1, 2)

966 Duty to deduct and account for sums representing income tax

- (1) This section applies if—
 - (a) an entertainer, sportsman or sportswoman of a prescribed description (“a performer”) who is non-UK resident for a tax year performs a relevant activity in the United Kingdom in the tax year, and
 - (b) a payment or transfer connected with the relevant activity is made.
- (2) It does not matter—
 - (a) whether the payment or transfer is made to the performer or anyone else, or
 - (b) when the payment or transfer is made.
- (3) If a payment within subsection (1)(b) is made the person who makes the payment must, on making it, deduct from it a sum representing income tax and account to the Commissioners for Her Majesty's Revenue and Customs for the sum.
- (4) If a transfer within subsection (1)(b) is made the person who makes the transfer must account to the Commissioners for Her Majesty's Revenue and Customs for a sum representing income tax.
- (5) See section 967 as to the calculation of the sums representing income tax mentioned in subsections (3) and (4).
- (6) This section does not apply to payments or transfers of such a kind as may be prescribed.
- (7) In this section—
 - (a) “relevant activity” means an activity of a prescribed description, and
 - (b) a payment or transfer is connected with a relevant activity if it has a connection of a prescribed kind with that activity.

Modifications etc. (not altering text)

- C1** S. 966 excluded (8.4.2010) by Finance Act 2010 (c. 13), **Sch. 20 para. 4**
- C2** S. 966 excluded (1.1.2011) by The London Olympic Games and Paralympic Games Tax Regulations 2010 (S.I. 2010/2913), regs. 1, **3(3)** (with regs. 9, 11)
- C3** S. 966 excluded (17.7.2012) by Finance Act 2012 (c. 14), **s. 13(5)**
- C4** S. 966 excluded (17.7.2013) by Finance Act 2013 (c. 29), **s. 9(4)**
- C5** S. 966 excluded (6.4.2014) by Finance Act 2014 (c. 26), **s. 47(4)(6)**
- C6** S. 966 excluded (retrospective to 8.7.2015) by Finance (No. 2) Act 2015 (c. 33), **s. 30(4)(6)**
- C7** S. 966 excluded (19.7.2016) by The Major Sporting Events (Income Tax Exemption) Regulations 2016 (S.I. 2016/771), regs. 1, **10**
- C8** S. 966 excluded (19.7.2016) by The Major Sporting Events (Income Tax Exemption) Regulations 2016 (S.I. 2016/771), regs. 1, **6**
- C9** S. 966 excluded (31.5.2017) by The Major Sporting Events (Income Tax Exemption) Regulations 2017 (S.I. 2017/614), regs. 1, **2(3)**

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- C10** S. 966 excluded (31.5.2021) by The Major Sporting Events (Income Tax Exemption) Regulations 2021 (S.I. 2021/224), regs. 1, **3(4)**
- C11** S. 966 excluded (31.7.2021) by The Major Sporting Events (Income Tax Exemption) (2021 UEFA Super Cup) Regulations 2021 (S.I. 2021/882), regs. 1(1), **3(4)**
- C12** S. 966 excluded (27.5.2022) by The Major Sporting Events (Income Tax Exemption) (Finalissima Football Match) Regulations 2022 (S.I. 2022/487), regs. 1, **3(4)**
- C13** S. 966 excluded (30.6.2022) by The Major Sporting Events (Income Tax Exemption) (UEFA Women’s EURO 2022 Finals) Regulations 2022 (S.I. 2022/489), regs. 1, **3(4)**
- C14** S. 966 excluded (30.6.2022) by The Major Sporting Events (Income Tax Exemption) (2022 Birmingham Commonwealth Games) Regulations 2022 (S.I. 2022/493), regs. 1, **3(4)**
- C15** S. 966 excluded (1.4.2023) by The Major Sporting Events (Income Tax Exemption) (Women’s Finalissima Football Match) Regulations 2023 (S.I. 2023/393), regs. 1, **3(4)**
- C16** S. 966 excluded (temp.) (22.2.2024) by The Major Sporting Events (Income Tax Exemption) (World Athletics Indoor Championships Glasgow 24) Regulations 2023 (S.I. 2023/1381), regs. 1(1), **2(4)**

967 Calculation of sums representing income tax

- (1) The sums representing income tax mentioned in section 966(3) and (4) are to be calculated in accordance with prescribed rules.
- (2) But the sums must not exceed the relevant proportion of the payment concerned or of the value of what is transferred.
“Relevant proportion” means a proportion equal to the basic rate of income tax for the tax year in which the payment or transfer is made.
- (3) Regulations made by the Treasury may provide, in relation to a transfer to which section 966 applies, that for the purposes of the Tax Acts the value of what is transferred is to be calculated in accordance with prescribed rules.
- (4) In particular, rules may include provision—
 - (a) for the calculation of an amount representing the actual value of what is transferred,
 - (b) for that amount to be treated as a net amount corresponding to a gross amount from which income tax at the basic rate has been deducted, and
 - (c) for the gross amount to be taken to be the value of what is transferred.

968 Treatment of sums representing income tax

- (1) This section applies if, in accordance with section 966(3) or (4), a person pays a sum to the Commissioners for Her Majesty's Revenue and Customs.
- (2) The sum is treated as paid on account of a liability of another person to income tax or corporation tax.
- (3) The liability and the other person are to be found in accordance with prescribed rules.
- (4) If the sum exceeds the liability concerned, the Commissioners must pay so much of the sum as is appropriate to the other person.
- (5) If no liability is found, the Commissioners must pay the sum to the recipient of the relevant payment or transfer.
- (6) The relevant payment or transfer is the payment or transfer—
 - (a) to which section 966 applies, and

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(b) which gave rise to the payment of the sum.

(7) A reference to a sum in this section does not include anything representing interest.

969 Regulations

(1) The Treasury may by regulations—

- (a) make provision enabling the Commissioners for Her Majesty's Revenue and Customs to serve notices requiring persons who make payments or transfers to which section 966 applies to give them prescribed information in respect of such payments or transfers,
- (b) make provision requiring persons who make payments or transfers to which section 966 applies to make, at prescribed times and for prescribed periods, returns to the Commissioners containing prescribed information about payments or transfers and the income tax for which those persons are accountable in respect of them,
- (c) make provision for the collection and recovery of such income tax, for assessments and claims to be made in respect of it, and for the payment of interest on it, and
- (d) adapt, or modify the effect of, any enactment relating to income tax for the purpose of making any provision mentioned in paragraphs (a) to (c).

(2) The Treasury may also by regulations make provision generally for giving effect to this section and sections 966 to 968 (including different provision for different cases or descriptions of case).

970 Supplementary

- (1) For the purposes of the Tax Acts a payment to which section 966 applies is treated as if it were not reduced by the deduction of a sum representing income tax under that section.
- (2) An officer of Revenue and Customs may disclose, to any person who appears to the officer to have an interest in the matter, information relevant to determining whether section 966 applies to a payment or transfer.
- (3) An officer is not precluded from doing so by any obligation as to secrecy imposed by statute or otherwise.
- (4) In this section and sections 966 to 969—
 - (a) references to a payment include references to a payment by way of loan of money, and
 - (b) references to a transfer do not include references to a transfer of money but, subject to that, include references to—
 - (i) a temporary transfer (as by way of loan), and
 - (ii) a transfer of a right (whether or not a right to receive money).
- (5) In sections 966 to 969 “prescribed” means prescribed by regulations made by the Treasury.

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Non-resident landlords

971 Income tax due in respect of income of non-resident landlords

- (1) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision for—
 - (a) the collection, from non-resident landlord representatives of a prescribed description, of prescribed amounts of income tax in respect of non-resident landlord income, and
 - (b) the assessment and recovery of the income tax on or from such persons.
- (2) “Non-resident landlord income” means income of a person whose usual place of abode is outside the United Kingdom (“the non-resident”) and which is or may become ^[F2]chargeable as the profits of a UK property business under Chapter 3 of Part 3 of ITTOIA 2005 or Chapter 3 of Part 4 of CTA 2009.]
- (3) “Non-resident landlord representative” means—
 - (a) a person by whom any sums are payable to the non-resident which are to be treated as receipts of a ^[F3]UK property business (within the meaning of Chapter 2 of Part 3 of ITTOIA 2005 or Chapter 2 of Part 4 of CTA 2009)] carried on by the non-resident, or
 - (b) a person who acts on behalf of the non-resident in connection with the management or administration of any such business.
- (4) A non-resident landlord representative who must pay prescribed amounts of income tax to the Commissioners for Her Majesty's Revenue and Customs under regulations under this section is entitled—
 - (a) to be indemnified by the non-resident for all such payments, and
 - (b) to retain out of any sums otherwise due from the representative to the non-resident, or received by the representative on behalf of the non-resident, sums representing income tax sufficient for meeting any liabilities under the regulations to make such payments.
- (5) Subsection (4)(b) applies whether the liability is one which the representative has discharged or to which the representative is subject.

Textual Amendments

- F2** Words in s. 971(2) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 716\(2\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F3** Words in s. 971(3)(a) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 716\(3\)](#) (with [Sch. 2 Pts. 1, 2](#))

972 Regulations under section 971

- (1) Regulations under section 971 may, in particular, include all or any of the following provisions—
 - (a) provision for the amount of any income tax in respect of non-resident landlord income, which is to be paid to the Commissioners for Her Majesty's Revenue and Customs, to be calculated by reference to prescribed factors,

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- (b) provision for the determination in accordance with the regulations of the period for which, the circumstances in which and the times at which any payments are to be made to the Commissioners,
 - (c) provision for requiring the payment of interest on amounts which are not paid to the Commissioners at the times required under the regulations,
 - (d) provision as to the certificates to be given in prescribed circumstances to the non-resident by a non-resident landlord representative, and as to the particulars to be included in any such certificate,
 - (e) provision for the making of repayments of income tax to the non-resident and for such repayments to be made in prescribed cases to non-resident landlord representatives,
 - (f) provision for the payment of interest by the Commissioners on sums repaid under the regulations,
 - (g) provision for the rights and obligations arising under the regulations to depend on the giving of such notices and the making of such claims and determinations as may be prescribed,
 - (h) provision for the making and determination of applications for requirements of the regulations not to apply in certain cases, and for the variation or revocation, in prescribed cases, of the determinations made on such applications,
 - (i) provision for appeals with respect to questions arising under the regulations,
 - (j) provision requiring non-resident landlord representatives within section 971(3)(b) who are of a prescribed description to register with the Commissioners,
 - (k) provision requiring persons registered with the Commissioners and other non-resident landlord representatives of a prescribed description to make returns and supply prescribed information to the Commissioners and to make available prescribed books, documents and other records for inspection on behalf of the Commissioners,
 - (l) provision for the partnership, as such, to be treated as the non-resident landlord representative if a liability to make a payment under the regulations arises from amounts payable or things done in the course of a business carried on by persons in partnership, and
 - (m) provision which, in relation to payments of income tax to be made by virtue of section 971 or to sums retained in respect of such payments, applies (with or without modifications) any enactment or subordinate legislation having effect apart from section 971 with respect to cases in which tax is or is treated as deducted from any income.
- (2) Interest required to be paid by regulations under section 971 is to be paid without deduction of a sum representing income tax and is not to be taken into account in calculating any income, profits or losses for any tax purposes.
- (3) Regulations under section 971 may—
- (a) make different provision for different cases, and
 - (b) contain incidental, supplemental, consequential and transitional provision and savings.
- (4) Provision made by virtue of subsection (3)(b) may, in particular, in connection with any other provision made by regulations under section 971, modify the operation in any case of section 59A of TMA 1970 (payments on account of income tax).

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- (5) In this section and section 971 “prescribed” means prescribed by, or determined by an officer of Revenue and Customs in accordance with, regulations made by the Commissioners for Her Majesty’s Revenue and Customs under section 971.
- (6) See [F4 section 548(7) of CTA 2010,] which prevents certain distributions of Real Estate Investment Trusts being non-resident landlord income for the purposes of regulations under section 971.

Textual Amendments

- F4** Words in s. 972(6) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 559** (with Sch. 2)

Real Estate Investment Trusts

973 Income tax due in respect of distributions

- (1) The Treasury may make regulations providing for the assessment, collection and recovery of income tax where—
- (a) a distribution to which subsection (2) or (3) applies is made, and
 - (b) tax is or may become chargeable in respect of the distribution (whether by virtue of [F5 section 548(5) or (6) of CTA 2010] (distributions: liability to tax) or otherwise).
- (2) This subsection applies to a distribution if—
- (a) it is made by a [F6 company UK REIT], and
 - (b) it is a distribution of profits or gains (or of both) of [F7 the company's property rental business].
- (3) This subsection applies to a distribution if—
- (a) it is made by the principal company of a [F8 group UK REIT], and
 - [F9(b) it is a distribution of amounts shown in the financial statement under section 532(2)(a) of CTA 2010 (statement of group's property rental business) as—
 - (i) profits or gains (or both) of UK members of the group, or
 - (ii) profits or gains (or both) of UK property rental business of non-UK members of the group.]

[F10(3A) In this section, section 974 and any regulations under this section, “distribution” is to be read in accordance with section 554A of CTA 2010 (meaning of “distribution”).

(3B) Section 599A of CTA 2010 (amount of distribution consisting of share capital issued in lieu of cash dividend) applies for the purposes of this section, section 974 and any regulations under this section as it applies for the purposes of Part 12 of that Act (Real Estate Investment Trusts).]

[F11(4) In this section—

“company UK REIT” and “group UK REIT” have the same meaning as in Part 12 of CTA 2010 (see sections 523(5) and 524(5) of that Act),

“group” and “principal company” have the same meaning as in Part 12 of CTA 2010 (see section 606 of that Act), and

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“property rental business” and “UK property rental business” have the same meaning as in Part 12 of CTA 2010 (see sections 519 and 520 of that Act).]

- (5) References in this section to a [^{F12}UK or non-UK company are to be read in accordance with Part 12 of CTA 2010 (see section 521 of that Act)].
- (6) In this section “gains” includes chargeable gains.
- [^{F13}(7) In relation to references to profits of property rental business, see section 549A of CTA 2010.]

Textual Amendments

- F5** Words in s. 973(1)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 560\(2\)](#) (with [Sch. 2](#))
- F6** Words in s. 973(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 560\(3\)\(a\)](#) (with [Sch. 2](#))
- F7** Words in s. 973(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 560\(3\)\(b\)](#) (with [Sch. 2](#))
- F8** Words in s. 973(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 560\(4\)\(a\)](#) (with [Sch. 2](#))
- F9** S. 973(3)(b) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 560\(4\)\(b\)](#) (with [Sch. 2](#))
- F10** S. 973(3A)(3B) inserted (16.12.2010 with effect in accordance with [Sch. 4 para. 12](#) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\), Sch. 4 para. 2](#)
- F11** S. 973(4) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 560\(5\)](#) (with [Sch. 2](#))
- F12** Words in s. 973(5) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 560\(6\)](#) (with [Sch. 2](#))
- F13** S. 973(7) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\), Sch. 19 para. 12](#)

974 Regulations under section 973

- (1) Regulations under section 973 may, in particular—
- (a) require a company to deduct sums representing income tax at the basic rate before payment of distributions,
 - (b) specify classes of shareholder to whom distributions may be made without deduction of such sums,
 - (c) make provision about the calculation of the sums to be deducted by a company,
 - (d) require a company to account for income tax equal to the sums deducted,
 - (e) apply an enactment (with or without modification) in respect of cases where a sum representing income tax is deducted or treated as deducted from income,
 - (f) specify the time at which a distribution is to be treated as made by a company,
 - (g) specify periods in respect of which payments of income tax are to be made,
 - (h) specify times at which payments of income tax are to be made,
 - (i) make provision about the making of claims and determinations in respect of over-payment or under-payment (which may include provision for appeals),
 - (j) include provision requiring the payment of interest in respect of late payments of income tax (which may—

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- (i) provide for payment without deduction of sums representing income tax,
 - (ii) allow interest paid as a deduction from profits of the company's [^{F14}property rental business]),
 - (k) require a company to provide a shareholder with a statement in writing containing specified information,
 - (l) make provision about the repayment to a shareholder of sums deducted and paid to the Commissioners for Her Majesty's Revenue and Customs in respect of income tax,
 - (m) make provision for the payment of interest in respect of repayments under paragraph (l),
 - (n) require notices to be given by or to a company,
 - (o) require a company to make returns, and
 - (p) require a company to make records available to the Commissioners for Her Majesty's Revenue and Customs for inspection.
- (2) A reference in subsection (1) to a distribution in respect of profits of [^{F15}property rental business] includes a distribution made after [^{F16}the company or group (as the case may be) has ceased to be a UK REIT].
- (3) A distribution which is treated as having been made by virtue of [^{F17}section 530(6) of CTA 2010] is also to be treated as having been made for the purposes of regulations under section 973.
- (4) Regulations under section 973—
- (a) may make provision which applies generally or only in specified cases or circumstances,
 - (b) may make different provision for different cases or circumstances, and
 - (c) may contain incidental, supplemental, consequential and transitional provision and savings.
- (5) In subsections (1) and (2), so far as they apply to cases within section 973(1)(a), “profits” includes gains (including chargeable gains).
- [^{F18}(6) In this section—
- property rental business” has the same meaning as in Part 12 of CTA 2010 (see section 519 of that Act), and
 - “UK REIT” has the same meaning as in Part 12 of CTA 2010 (see section 518(4) of that Act).]

[^{F19}(7) In relation to references to profits of property rental business, see section 549A of CTA 2010.]

Textual Amendments

- F14** Words in s. 974(1)(j)(ii) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 561\(2\)](#) (with [Sch. 2](#))
- F15** Words in s. 974(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 561\(3\)\(a\)](#) (with [Sch. 2](#))
- F16** Words in s. 974(2) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 1 para. 561\(3\)\(b\)](#) (with [Sch. 2](#))

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- F17** Words in s. 974(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 561(4)** (with Sch. 2)
- F18** S. 974(6) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 561(5)** (with Sch. 2)
- F19** S. 974(7) inserted (17.7.2013) by Finance Act 2013 (c. 29), **Sch. 19 para. 12**

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