



Income Tax Act 2007

2007 CHAPTER 3

PART 16

INCOME TAX ACTS DEFINITIONS ETC

CHAPTER 2

OTHER INCOME TAX ACTS PROVISIONS

1008 Scotland

- (1) In the application of the Income Tax Acts to Scotland—
 - “assignment” means an assignation,
 - “estate in land” includes the land, and
 - “surrender” includes renunciation.
- (2) In the application of the Income Tax Acts to Scotland, any reference to property or rights being held on trust or on trusts is a reference to the property or rights being held in trust.

1009 Sources of income within the charge to income tax or corporation tax

In the Income Tax Acts a source of income is within the charge to income tax or corporation tax if that tax—

- (a) is chargeable on the income arising from it, or
 - (b) would be so chargeable if there were any income arising from it,
- and references to a person, or income, being within the charge to income tax or corporation tax are to be read in the same way.

^{F1}1010 Application of Income Tax Acts to recognised investment exchanges

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Status: Point in time view as at 21/07/2009.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Chapter 2. (See end of Document for details)

Textual Amendments

F1 S. 1010 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), Sch. 26 para. 12(13), [Sch. 27 Pt. 6\(5\)](#)

1011 References to married persons, or civil partners, living together

Individuals who are married to, or are civil partners of, each other are treated for the purposes of the Income Tax Acts as living together unless—

- (a) they are separated under an order of a court of competent jurisdiction,
- (b) they are separated by deed of separation, or
- (c) they are in fact separated in circumstances in which the separation is likely to be permanent.

1012 Relationship between rules on highest part of total income

- (1) This section makes provision about the relationship between rules requiring particular income to be treated as the highest part of a person's total income.
- (2) It has effect for the purposes of the Income Tax Acts except sections 535 to 537 of ITTOIA 2005 (gains from contracts for life insurance etc: top slicing relief).
- (3) If more than one of the provisions listed in subsection (4) applies in relation to a person, a provision mentioned earlier in the list has priority over a provision mentioned later in the list.
- (4) The provisions are—
 - section 465A of ITTOIA 2005 (gains from contracts for life insurance etc to be treated as highest part of total income),
 - [^{F2}section 685A(5A) of ITTOIA 2005 (payments from trustees of settlor-interested settlements to be treated as highest part of total income),]
 - section 404A of ITEPA 2003 (payments and other benefits on termination of employment to be treated as highest part of total income), and
 - section 16 (savings and dividend income to be treated as highest part of total income).
- (5) The provisions listed in subsection (4) have priority over—
 - section 619A(2) of ITTOIA 2005 (income treated as highest part of settlor's total income),
 - section 768(6) and (7) (income treated as arising under Chapter 3 of Part 13 to be treated as highest part of total income),
 - section 786(6) and (7) (income treated as arising under Chapter 4 of Part 13 to be treated as highest part of total income), and
 - any other provisions of the Income Tax Acts requiring income of any description to be treated as the highest part of a person's total income.
- (6) The effect of one provision having priority over another is that the second provision has effect subject to the first.

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Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Chapter 2. (See end of Document for details)

Textual Amendments

- F2** Words in s. 1012(4) inserted (21.7.2008 with effect in accordance with s. 67(3) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [s. 67\(2\)](#)

1013 Territorial sea of the United Kingdom

The territorial sea of the United Kingdom is treated for the purposes of the Income Tax Acts as part of the United Kingdom.

1014 Orders and regulations

- (1) This section applies to all powers under the Income Tax Acts of the Treasury or the Commissioners for Her Majesty's Revenue and Customs to make orders or regulations, other than excluded powers.
- (2) All powers under the following are excluded—
 - (a) ICTA (see instead section 828 of that Act),
 - (b) section 178(5) of FA 1989 (setting of rates of interest),
 - [^{F3}(ba) section 127(12) of FA 1995,]
 - (c) CAA 2001 (see instead section 570B of that Act),
 - (d) ITEPA 2003 (see instead section 717 of that Act),
 - (e) Part 4 of FA 2004 (see instead section 282 of that Act),
 - (f) ITTOIA 2005 (see instead section 873 of that Act), and
 - (g) the following provisions of this Act—
 - (i) section 184(3)(b) and (c) (EIS: the unquoted status requirement (designated exchanges etc)),
 - (ii) section 295(3)(b) and (c) (venture capital trusts: the unquoted status requirement (designated exchanges etc)),
 - [^{F4}(iia) section 432(2) (gifts of shares, securities and real property to charities etc: meaning of “qualifying investment”),]^{F5}...
 - [^{F6}(iib) section 827(2) (meaning of “investment transaction”), and]
 - (iii) section [^{F7}1005(1)] (meaning of “recognised stock exchange”).
- (3) Any orders or regulations made under a power to which this section applies must be made by statutory instrument.
- (4) Any orders or regulations made under a power to which this section applies are subject to annulment in pursuance of a resolution of the House of Commons.
- (5) Subsection (4) does not apply if the order or regulations are made under—
 - (a) section 73A of FA 2004 (exemption for designated international organisations), or
 - (b) any of the following provisions of this Act—
 - (i) section 21(5) (indexation of [^{F8}basic rate limit and starting rate limit for savings]),
 - (ii) section 57 (indexation of allowances),
 - (iii) section 114 or 802 (exclusion of amounts in calculating individual's contribution to the firm),

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- (iv) section 400(4)(e) (amounts treated as contributed by an individual to investment partnership capital),
 - (v) section 897 (UK public revenue dividends: regulations about collection of income tax),
 - (vi) section 962 (regulations modifying Chapter 15 of Part 15),
 - (vii) section 979 (designated international organisations: exceptions from duties to deduct),
 - (viii) section 991(2)(e) (meaning of “bank”), or
 - (ix) section 1030(2) (power to make transitional or saving provision in connection with coming into force of this Act).
- (6) Further, subsection (4) does not apply—
- (a) if any other Parliamentary procedure is expressly provided to apply in relation to the order or regulations, or
 - (b) if the order in question appoints a day for the purposes of any provision of the Income Tax Acts from which the provision will have effect (with or without amendments) or will cease to have effect,
- and is also subject to any other provision to the contrary.

Textual Amendments

- F3** S. 1014(2)(ba) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 16 paras. 2\(2\)](#), 11(4) (with [Sch. 16 para. 11\(5\)\(6\)](#))
- F4** S. 1014(2)(g)(iia) inserted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 26 para. 12\(14\)\(a\)](#)
- F5** Word in s. 1014(2)(g)(iia) omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 16 paras. 6\(2\)](#), 11(4)
- F6** S. 1014(2)(g)(iib) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 16 paras. 6\(3\)](#), 11(4)
- F7** Word in s. 1014(2)(g)(iii) substituted (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 26 para. 12\(14\)\(b\)](#)
- F8** Words in s. 1014(5)(b)(i) substituted (21.7.2008 with effect in accordance with Sch. 1 para. 65 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 1 para. 34](#)

Modifications etc. (not altering text)

- C1** S. 1014(4) excluded (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [s. 31\(4\)](#)
- C2** S. 1014(4) excluded (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), [Sch. 22 para. 14\(2\)](#)

1015 Territorial scope of charges under certain provisions to which section 1016 applies

- (1) This section applies in relation to any amount chargeable to income tax under or by virtue of any provision—
- (a) to which section 1016 applies, and
 - (b) which is listed in Part 2 or 3 of the table in that section (provisions not in ITTOIA 2005).
- (2) An amount arising to a UK resident is chargeable to tax whether or not it is from a source in the United Kingdom.
- (3) An amount arising to a non-UK resident is chargeable to tax only if it is from a source in the United Kingdom.

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- (4) References in this section to amounts which are from a source in the United Kingdom include, in the case of any amount which does not have a source, references to amounts which have a comparable connection to the United Kingdom.
- (5) This section is subject to any express or implied provision to the contrary in any provision of the Income Tax Acts.

1016 Table of provisions to which this section applies

- (1) In the Income Tax Acts references to any provision to which this section applies are references to any provision listed in the following table so far as it relates to income tax (but subject to any applicable limitation in subsections (3) and (4)).
- (2) This is the table—

PART 1

<i>Provisions of ITTOIA 2005</i>	<i>Description</i>
Chapter 18 of Part 2	Post-cessation receipts: trades, professions and vocations
Chapter 8 of Part 3	Rent receivable in connection with a UK section 12(4) concern
Chapter 9 of Part 3	Rent receivable for UK electric-line wayleaves
Chapter 10 of Part 3	Post-cessation receipts: UK property businesses
Chapter 2 of Part 4	Interest
Chapter 9 of Part 4	Gains from contracts for life insurance etc
Chapter 11 of Part 4	Transactions in deposits
Chapter 12 of Part 4	Disposals of futures and options involving guaranteed returns
Section 579	Royalties and other income from intellectual property
Section 583	Income from disposals of know-how
Section 587	Income from sales of patent rights
Chapter 3 of Part 5	Films and sound recordings: non-trade businesses
Chapter 4 of Part 5	Certain telecommunication rights: non-trading income
Chapter 5 of Part 5	Settlements: amounts treated as income of settlor
Section 682(4)	Adjustments after the administration period

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Chapter 8 of Part 5	Income not otherwise charged
Section 844(4)	Withdrawal of relief for unremittable foreign income after source ceases

PART 2

<i>Provisions of this Act</i>	<i>Description</i>
Chapter 2 of Part 12	Accrued income profits
Section 720, 727 or 731	Transfer of assets abroad
Chapter 3 of Part 13	Transactions in land
Section 776	Sales of occupation income
Section 796	Individuals benefited by film relief
Section 804	Losses derived from exploiting licence: individuals in partnership

PART 3

<i>Other provisions</i>	<i>Description</i>
Section 214(1)(ab) of ICTA	Chargeable payments connected with exempt distributions
Section 571(1) of ICTA	Cancellation of certificates: schemes for rationalising industry
F9	F9
...	...
Section 761(1)(b)(i) of ICTA	Offshore income gains
Section 774(1) of ICTA	Transactions between dealing company and associated company
Section 780(3A)(a) of ICTA	Sale and lease-back (taxation of consideration received)
Section 781(1) of ICTA	Assets leased to traders and others
Section 786(5)(a) of ICTA	Transactions associated with loans or credit
Section 68(2) of FA 1989	Employee share ownership trust (chargeable event)
Section 71(4) of FA 1989	Employee share ownership trust (borrowing)
Section 258(4) of CAA 2001	Special leasing
Section 479(4) of CAA 2001	Persons having qualifying non-trade expenditure
Section 394(2) of ITEPA 2003	Charge on administrator of non-approved pension scheme

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Section 476(5) of ITEPA 2003

Charge on occurrence of chargeable event

- (3) For the purposes of this section—
- (a) any reference to any provision of ITTOIA 2005 does not include that provision so far as relating to relevant foreign income,
 - (b) the reference to Chapter 2 of Part 4 of ITTOIA 2005 is a reference to that Chapter only so far as relating to an issue of funding bonds where—
 - (i) the issue is treated under section 380 of that Act as a payment of interest, and
 - (ii) the person by or through whom they are issued is required to retain bonds under section 939(2) of this Act but it is impracticable for the person to do so,
 - (c) the reference to Chapter 9 of Part 4 of ITTOIA 2005 is a reference to that Chapter only so far as relating to gains—
 - (i) which are from a policy or contract specified in section 531(3) of that Act, and
 - (ii) which do not fall within section 532 or 534 of that Act,
 - (d) the reference to section 579 of ITTOIA 2005 does not include that section so far as relating to any annual payment,
 - (e) the reference to Chapter 4 of Part 5 of ITTOIA 2005 does not include that Chapter so far as relating to any annual payment, and
 - (f) the reference to Chapter 5 of Part 5 of ITTOIA 2005 does not include that Chapter so far as relating to income which falls within section 619(3) of that Act.
- (4) For the purposes of this section the reference to section 720 or 727 of this Act does not include those sections so far as relating to income falling within subsection (3) of section 745.

Textual Amendments

- F9** Words in s. 1016(2) Table Pt. 3 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\(3\)\(h\)\(i\)](#)

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Changes to legislation:

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