



Income Tax Act 2007

2007 CHAPTER 3

PART 7

COMMUNITY INVESTMENT TAX RELIEF

CHAPTER 1

INTRODUCTION

Miscellaneous

336 Meaning of “making an investment”

- (1) For the purposes of this Part, an individual makes an investment in a body at any time when—
 - (a) the individual makes a loan (whether secured or unsecured) to the body, or
 - (b) an issue of securities of or shares in the body, for which the individual has subscribed, is made to the individual.
- (2) The following provisions of this section apply for the purposes of subsection (1)(a).
- (3) An individual does not make a loan to a body if—
 - (a) the body uses overdraft facilities provided by the individual, or
 - (b) the individual subscribes for or otherwise acquires securities of the body.
- (4) If the loan agreement authorises the body to draw down amounts of the loan over a period of time, the loan is treated as made at the time when the first amount is drawn down.

337 Determination of “the invested amount”

- (1) This section applies for the purpose of determining “the invested amount” in respect of any loan, securities or shares included in the investment.

Status: Point in time view as at 21/07/2009.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, Cross Heading: Miscellaneous. (See end of Document for details)

This is subject to sections 363(2) and 369 (which adjust “the invested amount” in certain cases where value is received).

- (2) In the case of a loan, the invested amount is—
- (a) for the tax year in which the investment date falls, the average capital balance for the first year of the 5 year period,
 - (b) for the next tax year, the average capital balance for the second year of the 5 year period, and
 - (c) for any subsequent tax year—
 - (i) the average capital balance for the period of 12 months beginning with the anniversary of the investment date falling in the tax year concerned, or
 - (ii) if less, the average capital balance for the period of 6 months beginning 18 months after the investment date.
- (3) In the case of securities or shares, the invested amount for a tax year is the amount subscribed by the investor for the securities or shares.
- (4) For the purposes of this section, the average capital balance of the loan for a period is the mean of the daily balances of capital outstanding during the period.

338 Meaning of “the 5 year period” and “the investment date”

In this Part—

“the 5 year period” means the period of 5 years beginning with the investment date, and

“the investment date” means the day the investment is made.

339 Overview of other Chapters of Part

In this Part—

- (a) Chapter 5 provides for the making of claims for CITR and the attribution of CITR to investments,
- (b) Chapter 6 provides for CITR to be withdrawn or reduced in the circumstances mentioned in that Chapter, and
- (c) Chapter 7 contains supplementary and general provision.

Status:

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Changes to legislation:

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