



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 15

#### DEDUCTION OF INCOME TAX AT SOURCE

### CHAPTER 2

#### DEDUCTION BY DEPOSIT-TAKERS AND BUILDING SOCIETIES

#### *Introduction*

#### **850 Overview of Chapter**

- (1) This Chapter deals with the deduction of sums representing income tax by deposit-takers and building societies from payments of interest on relevant investments.
- (2) Section 851 contains a general duty to deduct sums representing income tax from such payments and section 852 confers power on the Commissioners for Her Majesty's Revenue and Customs to disapply section 851 by regulations.
- (3) Sections 853 to 856 set out some basic concepts, so that—
  - (a) section 853 defines “deposit-taker” (and section 854 allows the Treasury by order to prescribe persons as deposit-takers),
  - (b) section 855 defines “investment” and “deposit”, and
  - (c) section 856 explains which investments are relevant investments.
- (4) Section 856 is subject to—
  - (a) section 857 (which sets out when investments must be treated as relevant and when they may be treated as not relevant), and
  - (b) sections 858 to 870 (which describe various kinds of investment which are not relevant investments).
- (5) Sections 871 to 873 contain supplementary provisions.

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**Status:** Point in time view as at 01/04/2010. This version of this provision has been superseded.

**Changes to legislation:** There are currently no known outstanding effects for the Income Tax Act 2007, Section 850. (See end of Document for details)

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(6) For the purposes of this Chapter—

- (a) any reference to interest paid by a building society on a relevant investment includes a reference to a dividend paid by the society in respect of the investment,
- (b) “dividend” includes any distribution (whether or not described as a dividend), and
- (c) crediting interest counts as paying it.

**Status:**

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**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax Act 2007, Section 850.