



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART VII

GENERAL PROVISIONS RELATING TO TAXATION OF INCOME OF INDIVIDUALS

CHAPTER I

PERSONAL RELIEFS

Supplemental

^{F1}275 Meaning of “relative”.

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Textual Amendments

F1 S. 275 repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part IV](#)

276 Effect on relief of charges on income.

^{M1}(1) Where any of the claimant’s income is income the income tax on which (at the basic rate) he is entitled to charge against any other person, or to deduct, retain or satisfy out of any payment, he shall not be entitled to relief under this Chapter in respect of that income, except to the extent, if any, that the relief would exceed tax at the basic rate on that income.

[^{F2}(1A) In subsection (1) above the references to relief under this Chapter do not include references to relief consisting in such an income tax reduction as is mentioned in section 256(2).]

Status: Point in time view as at 03/05/1994.

Changes to legislation: Income and Corporation Taxes Act 1988, Cross Heading: Supplemental is up to date with all changes known to be in force on or before 25 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) Notwithstanding subsection (1) above, relief under section 273 may be given to the extent that the deduction from tax provided for by that section can be made from so much of the income tax with which the claimant is chargeable as exceeds what would be the amount of that tax if all income tax were chargeable at the basic rate to the exclusion of any other rate.

Textual Amendments

- F2** S. 276(1A) inserted (with effect as mentioned in s. 77(7) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 8 para. 11](#)

Marginal Citations

- M1** Source-1970 s.25; 1971 s.33(5)

277 Partners.

- ^{M2}(1) ^{F3} . . . The following persons having joint interests, that is to say—
- (a) coparceners, joint tenants, or tenants in common of the profits of any property, and
 - (b) joint tenants, or tenants of land or tenements in partnership, being in the actual and joint occupation thereof in partnership, who are entitled to the profits thereof in shares, ^{F4} . . .
 - (c) ^{F4}
- may claim any relief under this Chapter according to their respective shares and interests, and any such claims which are proved may be dealt with in the same manner as in the case of several interests.
- (2) ^{F5}

Textual Amendments

- F3** Words in s. 277(1) repealed (with effect in accordance with s. 215(4)(5) of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), s. 215(3)(c), [Sch. 26 Pt. 5\(24\)](#), Note 4(a) (as s. 215(5) of that Act is modified (1.5.1995) by 1995 c. 4, [s. 125\(1\)](#)) (with Sch. 20)
- F4** S. 277(1)(c) and preceding word repealed (with effect in accordance with s. 215(4)(5) of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), s. 215(3)(c), [Sch. 26 Pt. 5\(24\)](#), Note 4(a) (as s. 215(5) of that Act is modified (1.5.1995) by 1995 c. 4, [s. 125\(1\)](#)) (with Sch. 20)
- F5** S. 277(2) repealed (with effect in accordance with s. 215(4)(5) of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), s. 215(3)(c), [Sch. 26 Pt. 5\(24\)](#), Note 4(a) (as s. 215(5) of that Act is modified (1.5.1995) by 1995 c. 4, [s. 125\(1\)](#)) (with Sch. 20)

Marginal Citations

- M2** Source-1970 s.26

278 Non-residents.

- (1) ^{M3} Subject to the provisions of this section, no relief under this Chapter shall be given in the case of any individual who is not resident in the United Kingdom.

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- (2) *Subject to subsection (3) below*^{F6}, subsection (1) above shall not apply in the case of any individual who satisfies the Board that he or she—
- (a) is a Commonwealth citizen or a citizen of the Republic of Ireland; or
 - (b) is a person who is or who has been employed in the service of the Crown, or who is employed in the service of any missionary society or in the service of any territory under Her Majesty's protection; or
 - (c) is resident in the Isle of Man or the Channel Islands; or
 - (d) has previously resided within the United Kingdom, and is resident abroad for the sake of his or her health, or the health of a member of his or her family resident with him or her; or
 - (e) is a widow whose late husband [^{F7}, or a widower whose late wife] was in the service of the Crown.

[^{F7}(2A) Notwithstanding subsection (2) above, no relief shall be given under section 257D in a case where the husband is not resident in the United Kingdom.]

- (3) *No relief under this Chapter shall be given so as to reduce the amount of the income tax payable by the individual below the amount which results from applying the fraction—*

$$\frac{A}{B}$$

to the amount which would have been payable by him by way of income tax if the tax were chargeable on his total income from all sources (including income which is not subject to income tax charged in the United Kingdom) where—

A is the amount of his income subject to income tax charged in the United Kingdom; and

B is the amount of his total income^{F8}.

- (4) ^{M4}*Subsection (3) above shall have effect as if the amount of any relief to which an individual is entitled under section 266(4) were an amount by which his liability to income tax is reduced*^{F7}.
- (5) ^{M5}*For the purposes of subsection (3) above as it applies to an individual whose income includes income eligible for double taxation relief—*
- (a) *in computing the amount of the income tax payable by the individual, the tax chargeable in respect of the income eligible for double taxation relief shall be disregarded;*
 - (b) *in computing the amount of his income subject to income tax charged in the United Kingdom, the income eligible for double taxation relief shall be disregarded; and*
 - (c) *in computing his total income from all sources, including income which is not subject to income tax charged in the United Kingdom, income eligible for double taxation relief shall be included, and the income tax which would be chargeable on that total income shall be computed without regard to the double taxation relief available in respect of the income eligible for double taxation relief;*

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and, accordingly, where this subsection applies, the amount of the tax chargeable in respect of the income eligible for double taxation relief shall not be affected by subsections (2) and (3) above^{F8}.

- (6) *Subsection (5) shall not operate so as to make the tax payable by an individual for a year of assessment higher than it would have been if the double taxation relief had not been available^{F8}.*
- (7) *In subsection (5) above “income eligible for double taxation relief” means any dividends, interest, royalties or other profits which are chargeable to income tax but in respect of which relief (other than credit) is available under an Order in Council under section 788 so as to limit the rate of income tax so chargeable (but not so as to confer an exemption and make it income which is not subject to income tax charged in the United Kingdom)^{F8}.*
- (8) Any claim which an individual is entitled to make by virtue of subsection (2) above shall be made to the Board.

Textual Amendments

- F6** *Repealed by 1988(F) s.148 and Sch.14 Part IV for 1990-91 and subsequent years.*
- F7** *1988(F) s.31 for 1990-91 and subsequent years.*
- F8** *Repealed by 1988(F) ss.31, 148 and Sch.14 Part IV for 1990-91 and subsequent years.*

Modifications etc. (not altering text)

- C1** *See British Nationality Act 1981 ss.37 and 51(1) for definition.*

Marginal Citations

- M3** *Source-1970 s.27(1), (2)*
- M4** *Source-1976 Sch.4 18(3)*
- M5** *Source-1970 s.27(3)-(5)*

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