



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART VII

GENERAL PROVISIONS RELATING TO TAXATION OF INCOME OF INDIVIDUALS

CHAPTER I

PERSONAL RELIEFS

The reliefs

^{F2}257BB Transfer of relief under section 257A where relief exceeds income^{F1} or 257AB.]

[^{F3}(1) Where—

- (a) an individual is entitled to a tax reduction under section 257A or 257AB, but
- (b) the amount of the tax reduction to which the individual is entitled is greater than the individual's comparable tax liability,

the individual's spouse or civil partner shall be entitled (in addition to any tax reduction to which that spouse or civil partner is entitled by virtue of an election under section 257BA) to a tax reduction equal to the unused part of the individual's MCA tax reductions.]

[^{F4}(1A) The individual's MCA tax reductions are the sum of—

- (a) the tax reduction to which the individual is entitled under section 257A or 257AB, and
- (b) any tax reduction to which the individual is entitled by virtue of an election under section 257BA(3).

(1B) The unused part of the individual's MCA tax reductions is equal to—

- (a) the individual's MCA tax reductions, less
- (b) the individual's comparable tax liability.]

Status: Point in time view as at 21/07/2009. This version of this provision has been superseded.
Changes to legislation: Income and Corporation Taxes Act 1988, Section 257BB is up to date with all changes known to be in force on or before 06 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) Subsection (1) above shall not apply for a year of assessment unless the claimant’s [F5 spouse or civil partner] gives notice to the inspector that it is to apply.

[F6 (3) Where—

- (a) an individual is entitled to a tax reduction by virtue of an election under section 257BA, but
- (b) the amount of the tax reduction to which the individual is entitled is greater than the individual's comparable tax liability,

the individual's spouse or civil partner shall be entitled (in addition to any tax reduction to which that spouse or civil partner is entitled by virtue of section 257A or 257AB) to a tax reduction equal to the unused part of the individual's tax reduction.]

[F7 (3AA) The unused part of the individual's tax reduction is equal to—

- (a) the tax reduction to which the individual is entitled by virtue of the election under section 257BA, less
- (b) the individual's comparable tax liability.]

(3A) F8

(4) Subsection (3) above shall not apply for a year of assessment unless the claimant’s [F9 spouse or civil partner] gives notice to the inspector that it is to apply.

(5) Any notice under subsection (2) or (4) above—

- (a) shall be given on or before the fifth anniversary of the 31st January next following the end of the year of assessment to which it relates,
- (b) shall be in such form as the Board may determine, and
- (c) shall be irrevocable.

[F10 (5A) For the purposes of this section, the comparable tax liability of an individual is the amount of the individual's tax left after Step 6 of the calculation in section 23 of ITA 2007, making that calculation with the modifications set out in subsections (5B) and (5C).

(5B) In making that calculation, do not deduct any tax reduction under—

- (a) section 788 (double taxation arrangements: relief by agreement), or
- (b) section 790(1) (relief for foreign tax where there are no double taxation arrangements).

(5C) If the individual's entitlement to a tax reduction under section 257A, 257AB, 257BA or this section is extinguished under section 423(4) of ITA 2007 (gift aid: restriction of reliefs) to any extent, deduct from the amount calculated in accordance with subsections (5A) and (5B) the amount by which the tax reduction is reduced.

(5D) For the purposes of this section a person is treated as being entitled to a tax reduction under section 788 if the person is entitled to credit against income tax under arrangements which have effect under that section.

(5E) A tax reduction under this section is given effect at Step 6 of the calculation in section 23 of ITA 2007.]

(6) F11

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Textual Amendments

- F1** Words in s. 257BB heading inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 54(6)**
- F2** [Ss. 257BA, 257BB](#) substituted for s. 257B (16.7.1992 with application in relation to tax for the year 1993-94 and subsequent years of assessment) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 20, [Sch. 5 paras.2, 10](#).
- F3** [S. 257BB\(1\)](#) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(2)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F4** [S. 257BB\(1A\)\(1B\)](#) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(3)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F5** Words in s. 257BB(2) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 54(3)**
- F6** [S. 257BB\(3\)](#) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(4)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F7** [S. 257BB\(3AA\)](#) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(5)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F8** [S. 257BB\(3A\)](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 33\(6\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F9** Words in s. 257BB(4) substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 54(5)**
- F10** [S. 257BB\(5A\)-\(5E\)](#) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 33(7)** (with [Sch. 2 paras. 14, 16\(1\)\(5\), 17\(6\)](#))
- F11** [S. 257BB\(6\)](#) repealed (with effect as mentioned in s. 77(7) of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 8 para. 3\(4\)](#), **Sch. 26 Pt. 5(1)**, Note

Modifications etc. (not altering text)

- C1** [S. 257B-262](#) restricted (with effect as mentioned in s. 77(7) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), **Sch. 8 para. 4(1)**
- C2** [S. 257BB\(5\)](#) modified (1992-93, 1993-94 and 1994-5) by [The Lloyd's Underwriters \(Tax\) \(1992-93 to 1996-97\) Regulations 1995 \(S.I. 1995/352\)](#), **regs. 1, 14, 15, Sch.**

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