



# Income and Corporation Taxes Act 1988

## 1988 CHAPTER 1

### PART IX

#### ANNUAL PAYMENTS AND INTEREST

##### *Mortgage interest relief at source*

#### **373 Loans in excess of the qualifying maximum, and joint borrowers.**

- (1) <sup>M1</sup>The provisions of this section have effect in relation to a loan where, by virtue of <sup>F1</sup> . . . section 365(3), only part of the interest on the loan would (apart from section 353(2)) be eligible for relief under section 353; and in this section any such loan is referred to as a “limited loan”.
- (2) None of the interest on a limited loan is relevant loan interest unless—
  - (a) the loan is made on or after 6th April 1987; or
  - (b) the qualifying lender to whom the interest is payable has given notice to the Board in accordance with regulations that he is prepared to have limited loans of a description which includes that limited loan brought within the tax deduction scheme.
- (3) <sup>F2</sup> . . . . .
- (4) <sup>F2</sup> . . . . .
- (5) <sup>M2</sup>Where the condition in paragraph (a) or (b) of subsection (2) above is fulfilled <sup>F3</sup> . . . only so much of the interest as (apart from section 353(2)) would be eligible for relief under section 353 is relevant loan interest.
- (6) <sup>M3</sup>Where a loan on which interest is payable by the borrower was made jointly to the borrower and another person who is not the borrower’s husband or wife, the interest on the loan is not relevant loan interest unless—
  - (a) each of the persons to whom the loan was made is a qualifying borrower; and
  - (b) in relation to each of them considered separately, the whole of that interest is relevant loan interest, in accordance with [<sup>F4</sup>section 370] and this section.

*Changes to legislation: Income and Corporation Taxes Act 1988, Section 373 is up to date with all changes known to be in force on or before 24 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) View outstanding changes*

(7) In subsection (6) above references to the borrower's husband or wife do not include references to a separated husband or wife <sup>F5</sup> . . . .

#### Textual Amendments

- F1** Words in s. 373(1) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(2\)\(a\)](#), [Sch. 20 Pt. 3\(7\)](#)
- F2** [S. 370\(3\)\(4\)](#) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(2\)\(b\)](#), [Sch. 20 Pt. 3\(7\)](#)
- F3** Words in s. 373(5) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(2\)\(c\)](#), [Sch. 20 Pt. 3\(7\)](#)
- F4** Words in s. 373(6) substituted (with effect in accordance with [Sch. 4 para. 18\(5\)](#) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(3\)](#)
- F5** Words in s. 373(7) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(2\)\(d\)](#), [Sch. 20 Pt. 3\(7\)](#)

#### Marginal Citations

- M1** Source-1982 Sch.7 5(1)-(3); 1985 s.37(2)
- M2** Source-1982 Sch.7 5(4); 1983 s.17(2); 1985 s.37(3)
- M3** Source-1982 Sch.7 6(1), (2)

**Changes to legislation:**

Income and Corporation Taxes Act 1988, Section 373 is up to date with all changes known to be in force on or before 24 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.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act Tax Acts: power to modify conferred by [2004 c. 25 s. 18](#)
- Act applied (with modifications) by [S.I. 2010/875 reg. 16Sch. 2](#) (This amendment not applied to legislation.gov.uk. S.I. 2010/875 was revoked (27.8.2010) by SI 2010/1906, reg. 2 without having come into force)

**Whole provisions yet to be inserted into this Act (including any effects on those provisions):**

- s. 109A(4B) inserted by [2005 c. 7 Sch. 4 para. 6\(3\)](#) (This amendment not applied to legislation.gov.uk. The amending provision (2005 c. 7, Sch. 4 para. 6) repealed retrospectively by 2005 c. 22, Sch. 6 para. 4(1)(6))
- Sch. 19AB para. 5(5)(a)(b) words substituted by [S.I. 2001/3629 art. 52\(2\)\(n\)](#) (This amendment not applied to legislation.gov.uk. The words to be substituted do not occur in Sch. 19AB para. 5)