



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIX

SUPPLEMENTAL

Miscellaneous

818 Arrangements for payments of interest less tax or of fixed net amount.

^{M1}(1) It is hereby declared that any provision made before or after the passing of this Act, whether orally or in writing, for the payment of interest “less tax”, or using words to that effect, is to be construed, in relation to interest payable without deduction of tax, as if the words “less tax”, or the equivalent words, were not included.

(2) In relation to [^{F1}relevant interest] which is payable without deduction of tax, any provision, made before or after the passing of this Act, whether orally or in writing, and however worded, for the payment of interest at such a rate (“the gross rate”) as shall, after the deduction of income tax, be equal to a stated rate, shall be construed as if it were a provision requiring the payment of interest at the gross rate.

[^{F2}(3) In subsection (2) “relevant interest” means—

- (a) interest on which the recipient is chargeable to income tax, which falls within Chapter 2 of Part 4 of ITTOIA 2005 but which is not relevant foreign income, or
- (b) interest on which the recipient is chargeable to corporation tax under Case III of Schedule D.]

Textual Amendments

- F1** Words in s. 818(2) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by *Income Tax (Trading and Other Income) Act 2005 (c. 5)*, **Sch. 1 para. 328(2)** (with Sch. 2)
- F2** S. 818(3) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by *Income Tax (Trading and Other Income) Act 2005 (c. 5)*, **Sch. 1 para. 328(3)** (with Sch. 2)

Status: Point in time view as at 06/04/2005. This version of this provision has been superseded.

Changes to legislation: *Income and Corporation Taxes Act 1988, Section 818 is up to date with all changes known to be in force on or before 30 July 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)*

Marginal Citations

M1 Source—1970 s.425; 1971 Sch.6 51

Status:

Point in time view as at 06/04/2005. This version of this provision has been superseded.

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