



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIX

SUPPLEMENTAL

Interpretation

832 Interpretation of the Tax Acts.

(1) ^{M1}In the Tax Acts, except in so far as the context otherwise requires—

“Act” includes an Act of the Parliament of Northern Ireland and a Measure of the Northern Ireland Assembly;

^{F1}

“authorised unit trust” has the meaning given by section 468(6);

“basic rate”, in relation to the charging of income tax for any year of assessment, means the rate of income tax determined in pursuance of section 1(2)(a), and any reference to the basic rate limit shall be construed in accordance with section 1(3);

“the Board” means the Commissioners of Inland Revenue;

“body of persons” means any body politic, corporate or collegiate, and any company, fraternity, fellowship and society of persons whether corporate or not corporate;

“building society” means a building society within the meaning of the ^{M2}Building Societies Act 1986;

“capital allowance” means any allowance under [^{F2}the Capital Allowances Act (including enactments which under this Act are to be treated as contained in that Act)];

[^{F3}“the Capital Allowances Act” means the Capital Allowances Act 2001;

“chargeable gain” has the same meaning as in the [^{F4}1992] Act;

“chargeable period” means an accounting period of a company or a year of assessment;

“close company” has the meaning given by sections 414 and 415;

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“collector” means any collector of taxes;

“company” means, subject to subsection (2) below, any body corporate or unincorporated association but does not include a partnership, a local authority or a local authority association;

“distribution” has the meaning given by Part VI with section 418;

“farm land” means land in the United Kingdom wholly or mainly occupied for the purposes of husbandry, but excluding any dwelling or domestic offices, and excluding market garden land, and “farming” shall be construed accordingly;

[^{F5}“franked investment income” means income of a company resident in the United Kingdom which consists of a distribution in respect of which the company is entitled to a tax credit (and which accordingly represents income equal to the aggregate of the amount or value of the distribution and the amount of that credit);

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.....

^{F7}

“higher rate”, in relation to the charging of income tax for any year of assessment, means any rate of income tax determined in pursuance of section 1(2)(b), and any reference to any higher rate band shall be construed in accordance with section 1(3) ^{F8};

“industrial assurance business” has the meaning given by section 1(2) of the ^{M3}Industrial Assurance Act 1923 or Article 3(1) of the ^{M4}Industrial Assurance (Northern Ireland) Order 1979;

“inspector” means any inspector of taxes;

“interest” means both annual or yearly interest and interest other than annual or yearly interest;

[^{F9}“investment LLP” and “property investment LLP” have the meaning given by section 842B;]

[^{F10}“local authority association” has the meaning given by section 519;]

[^{F11}[^{F12}“lower rate”, in relation to the charging of income tax for any year of assessment, means the rate of income tax specified in or determined in pursuance of section 1A(1B);

“market garden land” means land in the United Kingdom occupied as a nursery or garden for the sale of the produce (other than land used for the growth of hops) and “market gardening” shall be construed accordingly;

“notice” means notice in writing [^{F13}or in a form authorised (in relation to the case in question) by directions under section 118 of the Finance Act 1998];

[^{F14}“open-ended investment company”, and “authorised corporate director”, “owner of shares” and “scheme property” in relation to an open-ended investment company, have the meanings given by subsection (10) of section 468, read with subsections (11) to (18) of that section, as those subsections are added by regulation 10(4) of the Open-ended Investment Companies (Tax) Regulations 1997;

“ordinary share capital”, in relation to a company, means all the issued share capital (by whatever name called) of the company, other than capital the holders of which have a right to a dividend at a fixed rate but have no other right to share in the profits of the company;

[^{F15}“overseas property business” has the meaning given by section 65A(4) or 70A(4);]

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“preference dividend” means a dividend payable on a preferred share or preferred stock at a fixed rate per cent. or, where a dividend is payable on a preferred share or preferred stock partly at a fixed rate per cent. and partly at a variable rate, such part of that dividend as is payable at a fixed rate per cent.;

“qualifying distribution” has the meaning given by section 14(2);

“qualifying policy” means a policy of insurance which is a qualifying policy for the purposes of Chapter I of Part VII;

[^{F16}“the rate applicable to trusts” shall be construed in accordance with section 686(1A);]

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[^{F19}“Schedule A business” means any business the profits or gains of which are chargeable to income tax under Schedule A, including the business in the course of which any transaction is by virtue of paragraph 1(2) of that Schedule to be treated as entered into;

[^{F20}“starting rate”, in relation to the charging of income tax for any year of assessment, means the rate of income tax determined in pursuance of section 1(2)(aa), and any reference to the starting rate limit shall be construed in accordance with section 1(2A);]

[^{F21}“the Schedule F ordinary rate” shall be construed in accordance with section 1B(2);]

[^{F21}“the Schedule F trust rate” shall be construed in accordance with section 686(1A);]

[^{F21}“the Schedule F upper rate” shall be construed in accordance with section 1B(2);]

F22

“tax credit” means a tax credit under section 231;

“trade” includes every trade, manufacture, adventure or concern in the nature of trade;

“Ulster Savings Certificates” means savings certificates issued or treated as issued under section 15 of the ^{M5}Exchequer and Financial Provisions Act (Northern Ireland) 1950;

“unit holder” has the meaning given by section 468(6);

“unit trust scheme” has the meaning given by section 469;

“year of assessment” means, with reference to any income tax, the year for which such tax was granted by any Act granting income tax;

“the year 1988-89” means the year of assessment beginning on 6th April 1988, and any corresponding expression in which two years are similarly mentioned means the year of assessment beginning on 6th April in the first-mentioned of those two years;

and a source of income is within the charge to corporation tax or income tax if that tax is chargeable on the income arising from it, or would be so chargeable if there were any such income, and references to a person, or to income, being within the charge to tax, shall be similarly construed.

- (2) ^{M6} The definition of “company” is subject to section 468, and does not apply in the following provisions of this Act, that is to say—

Chapter I of Part XVII;

sections 774 to 777;

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section 839;
paragraph 15 of Schedule 3;

(and also does not apply where the context otherwise requires because some other definition of “company” applies).

- (3) ^{M7}Except so far as the context otherwise requires, in the Tax Acts, and in any enactment passed after 12th March 1970 which by any express provision is to be construed as one with the Tax Acts, the Corporation Tax Acts or the Income Tax Acts, “tax”, where neither income tax nor corporation tax is specified, means either of those taxes.
- (4) Subsection (3) above is without prejudice to the provisions of section 9 which apply income tax law for certain purposes of corporation tax, and accordingly the employment of “income tax” rather than “tax” in any provision of the Tax Acts is not a conclusive indication that that provision is not applied to corporation tax by that section.
- [Any reference in the Tax Acts to franked investment income received by a company ^{F23}(4A) apply to any such income received by another person on behalf of or in trust for the company, but not to any such income received by the company on behalf of or in trust for another person.]
- (5) ^{M8}In the Tax Acts any reference to a child, however expressed, shall be construed as including a reference to an adopted child.

This subsection does not apply for the purposes of paragraph 10 of Schedule 30.|||||||

Textual Amendments

- F1** S. 832(1): definition of “additional rate” repealed (with effect in accordance with Sch. 18 Pt. 6(1) Note of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), **Sch. 18 Pt. 6(1)**
- F2** S. 832(1): words in definition of “capital allowance” substituted (with effect in accordance with s. 579 of the amending Act) by [Capital Allowances Act 2001 \(c. 2\)](#), **Sch. 2 para. 60(a)**
- F3** S. 832(1): definition of “the Capital Allowances Act” substituted for definition of “the Capital Allowances Acts” (with effect in accordance with s. 579 of the amending Act) by [Capital Allowances Act 2001 \(c. 2\)](#), **Sch. 2 para. 60(b)**
- F4** Word in s. 832(1) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 10 para. 14(54)** (with ss. 60, 101(1), 171, 201(3)).
- F5** S. 832(1): definition of “franked investment income” substituted (with effect in accordance with Sch. 3 para. 39(8) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **Sch. 3 para. 39(2)**
- F6** S. 832(1): definition of “franked payment” repealed (with effect in accordance with Sch. 3 para. 39(8) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 39(3), **Sch. 27 Pt. 3(2)**, Note
- F7** S. 832(1): definition of “group income” repealed (with effect in accordance with Sch. 3 para. 39(9) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 39(4), **Sch. 27 Pt. 3(2)**, Note
- F8** *Repealed by 1988(F) s.148 and Sch.14 Part IV for 1988-89 and subsequent years.*
- F9** S. 832(1): definition of “investment LLP” and “property investment LLP” inserted (6.4.2001 with effect in accordance with s. 76(1) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), s. 76(2), **Sch. 25 para. 1(2)**
- F10** 1990 s.127 and Sch.18 para.5(3) on and after 1 April 1990. Previously “ “local authority” and “local authority association” have the meanings given by section 519;”.
- F11** S. 832(1): definition of “lower rate” inserted (16.3.1992 with application for the year 1992-93 and subsequent years of assessment) by [Finance Act 1992 \(c. 20\)](#), **s. 9(9)(10)(11)**
- F12** S. 832(1): definition of “lower rate” substituted (with effect in accordance with s. 22(12) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **s. 22(10)(a)**

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- F13** S. 832(1): words in definition of "notice" inserted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 118\(10\)](#)
- F14** S. 832(1): definitions of "open-ended investment company", "authorised corporate director", "owner of shares" and "scheme property" inserted (28.4.1997) by The Open-ended [Investment Companies \(Tax\) Regulations 1997 \(S.I. 1997/1154\), reg. 14](#)
- F15** S. 832(1): definition of "overseas property business" inserted (with effect in accordance with s. 38(2) (3) of the amending Act) by [Finance Act 1998 \(c. 36\), Sch. 5 para. 45](#)
- F16** S. 832(1): definition of "the rate applicable to trusts" inserted (27.7.1993 with effect for the year 1993-94 and subsequent years of assessment) by [1993 c. 34, s. 79, Sch. 6 paras.15, 25\(1\)](#)
- F17** S. 832(1): definition of "the rate of advance corporation tax" repealed (with effect in accordance with Sch. 3 para. 39(9) of the repealing Act) by [Finance Act 1998 \(c. 36\), Sch. 3 para. 39\(5\), Sch. 27 Pt. 3\(2\)](#), Note
- F18** S. 832(1): definition of "recognised clearing system" repealed (with effect in accordance with Sch. 7 para. 32 of the repealing Act) by [Finance Act 1996 \(c. 8\), Sch. 7 para. 25, Sch. 41 Pt. 5\(2\)](#), Note (with Sch. 7 paras. 33-35)
- F19** S. 832(1): definition of "Schedule A business" inserted (with effect in accordance with s. 39(4)(5) of the amending Act) by [Finance Act 1995 \(c. 4\), Sch. 6 para. 28](#)
- F20** S. 832(1): definition of "starting rate" and "starting rate limit" inserted after the definition of "Schedule A business" (with effect in accordance with s. 22(12) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 22\(10\)\(b\)](#)
- F21** S. 832(1): definitions of "the Schedule F ordinary rate", "the Schedule F trust rate", and "the Schedule F upper rate" inserted (with effect in accordance with [Sch. 4 para. 22\(2\)](#) of the amending Act) by [Finance \(No. 2\) Act 1997 \(c. 58\), Sch. 4 para. 22\(1\)](#)
- F22** S. 832(1): definition of "surplus of franked investment income" repealed (with effect in accordance with Sch. 3 para. 39(8) of the repealing Act) by [Finance Act 1998 \(c. 36\), Sch. 3 para. 39\(6\), Sch. 27 Pt. 3\(2\)](#), Note
- F23** S. 832(4A) inserted (with effect in accordance with [Sch. 3 para. 39\(8\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\), Sch. 3 para. 39\(7\)](#)

Marginal Citations

- M1** 1970 s.526(5), 527(1); 1971 s.32(1), (1D), Sch.8 16(3); 1976 Sch.4 11; 1972 s.93(6); 1979(C), Sch.7; 1981 s.34(5); 1987 Sch.15 2(20)
- M2** 1986 c. 53.
- M3** 1923 c. 8.
- M4** S.I. 1979/1574 (N.I. 13).
- M5** 1950 c. 3 (N.I.).
- M6** Source—1970 s.526(6)
- M7** Source—1970 s.526(3), (4)
- M8** Source—1970 s.526(5A); 1987 Sch.15 2(21)

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