Finance Act 1991

1991 CHAPTER 31

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Miscellaneous

76 Capital element in annuities.

(1) Section 656 of the Taxes Act 1988 (purchased life annuities other than retirement annuities) shall have effect, and be deemed always to have had effect, with the addition of the following subsections—

"(7) In using the prescribed tables of mortality to determine—

(a) the expected term of an annuity for the purposes of subsection (2)(a) above, or

(b) the actuarial value of any annuity payments for the purposes of subsection (4)(c) above,

the age, as at the date when the first of the annuity payments begins to accrue, of a person during whose life the annuity is payable shall be taken to be the number of years of his age at his last birthday preceding that date.

(8) In any case where it is not possible to determine the expected term of an annuity for the purposes of subsection (2)(a) above by reference to the prescribed tables of mortality, that term shall for those purposes be such period as may be certified by the Government Actuary or the Deputy Government Actuary.

(9) In any case where it is not possible to determine the actuarial value of any annuity payments for the purposes of subsection (4)(c) above by reference to the prescribed tables of mortality, that value shall for those purposes be such amount as may be certified by the Government Actuary or the Deputy Government Actuary."

(2) Section 230 of the [M1]Income and Corporation Taxes Act 1970 (from which section 656 of the Taxes Act 1988 is derived) shall be deemed always to have had effect as if the subsections (7) to (9) set out in subsection (1) above had been contained in that section as subsections (8) to (10) respectively, but with the substitution for "(2)(a)" and "(4)(c)", in each place where they occur, of "(2A)(a) " and "(3)(c) " respectively.

(3) Section 27 of the [M2]Finance Act 1956 (from which section 230 of the Income and Corporation Taxes Act 1970 was derived) shall be deemed always to have had effect as if the subsections (7) and (9) set out in subsection (1) above had been contained in that section as subsections (8A) and (8B) respectively, but with the omission in subsection (7) of paragraph (a) and with the substitution of "(3)(c) " for "(4)(c)" in both places where it occurs.

Marginal Citations

M1 1970 c. 10.

M2 1956 c. 54.

Status:
Point in time view as at 19/07/2007. This version of this provision has been superseded.

Changes to legislation:
There are currently no known outstanding effects for the Finance Act 1991, Section 76.