



Finance Act 1994

1994 CHAPTER 9

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Income tax: charge, rates and reliefs

79 Relief for maintenance payments.

(1) Sections 347A and 347B of the ^{M1}Taxes Act 1988 ^{F1} . . . (which contain provision with respect to the deductions from income allowed on account of maintenance payments) shall have effect in relation to payments becoming due on or after 6th April 1994 with the following modifications.

^{F2}(2)

(3) In subsection (2) of section 347B (relief for qualifying maintenance payments)—
(a) the words “Notwithstanding section 347A(1)(a) but” shall be omitted; and
(b) for the words from “in computing” to “to deduct” there shall be substituted “for a year of assessment to an income tax reduction calculated by reference to”.

(4) In subsection (3) of section 347B (restriction of relief to amount of married couple’s allowance), for the words from the beginning to “exceed” there shall be substituted “The amount by reference to which any income tax reduction is to be calculated under this section shall be limited to”.

^{F2}(5)

Status: Point in time view as at 24/07/2002. This version of this provision has been superseded.

Changes to legislation: Finance Act 1994, Section 79 is up to date with all changes known to be in force on or before 14 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)

(6) After subsection (5) of section 347B there shall be inserted the following subsections—

“(5A) Where any person is entitled under this section for any year of assessment to an income tax reduction calculated by reference to the amount determined in accordance with subsections (2) to (5) above (“the relevant amount”), the amount of that person’s liability for that year to income tax on his total income shall be the amount to which he would have been liable apart from this section less whichever is the smaller of—

- (a) the amount equal to the appropriate percentage of the relevant amount; and
- (b) the amount which reduces his liability to nil;

and in this subsection “the appropriate percentage” means 20 per cent. for the year 1994-95 and 15 per cent. for the year 1995-96 and subsequent years of assessment.

(5B) In determining for the purposes of subsection (5A) above the amount of income tax to which a person would be liable apart from any income tax reduction under this section, no account shall be taken of—

- (a) any income tax reduction under Chapter I of Part VII;
- (b) any relief by way of a reduction of liability to tax which is given in accordance with any arrangements having effect by virtue of section 788 or by way of a credit under section 790(1); or
- (c) any tax at the basic rate on so much of that person’s income as is income the income tax on which he is entitled to charge against any other person or to deduct, retain or satisfy out of any payment.”

^{F2}(7)

^{F2}(8)

Textual Amendments	
F1	Words in s. 79(1) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(6), Note in the repealing Act) by 1999 c. 16, s. 139, Sch. 20 Pt. III(6) , Note
F2	S. 79(2)(5)(7)(8) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(6), Note in the repealing Act) by 1999 c. 16, s. 139, Sch. 20 Pt. III(6) , Note
Marginal Citations	
M1	1988 c. 39.

Status:

Point in time view as at 24/07/2002. This version of this provision has been superseded.

Changes to legislation:

Finance Act 1994, Section 79 is up to date with all changes known to be in force on or before 14 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.