



Finance Act 1997

1997 CHAPTER 16

PART V

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Relieved expenditure, losses etc.

64 Postponed company donations to charity.

- (1) In section 339 of the Taxes Act 1988 (company donations to charity), after subsection (7) there shall be inserted the following subsections—

“(7AA) Where—

- (a) a covenanted donation to a charity is made by a company which is wholly owned by a charity,
- (b) the requirements of subsection (7) above for that donation to be regarded as a charge on income are satisfied,
- (c) the disposition or covenant under which the donation is made required it to be made in an accounting period of the company which ended before the time when it is in fact made, and
- (d) the donation is made within nine months of the end of that period,

the donation shall be deemed for the purposes of section 338 to be a charge on income paid in the accounting period in which it was required to be made, and not in any later period.

- (7AB) For the purposes of this section a company is wholly owned by a charity if it is either—

- (a) a company with an ordinary share capital every part of which is owned by a charity (whether or not the same charity); or
- (b) a company limited by guarantee in whose case every person who—
 - (i) is beneficially entitled to participate in the divisible profits of the company, or

Status: Point in time view as at 31/07/1997. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1997, Section 64. (See end of Document for details)

(ii) will be beneficially entitled to share in any net assets of the company available for distribution on its winding up, is or must be a charity or a company wholly owned by a charity.

(7AC) For the purposes of subsection (7AB) above ordinary share capital of a company shall be taken to be owned by a charity if there is a charity which—

- (a) within the meaning of section 838 directly or indirectly owns that share capital; or
- (b) would be taken so to own that share capital if references in that section to a body corporate included references to a charity which is not a body corporate.”

(2) This section has effect in relation to donations made in accounting periods beginning on or after 1st April 1997.

Status:

Point in time view as at 31/07/1997. This version of this provision has been superseded.

Changes to legislation:

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