



# Finance (No. 2) Act 1997

## 1997 CHAPTER 58

### PART III U.K.

#### INCOME TAX AND CORPORATION TAX

##### *Reliefs for interest and private medical insurance*

#### [<sup>F1</sup>15 Mortgage interest payments. U.K.]

<sup>F2</sup>(1) .....

(2) In section 369 of that Act (deduction at source of mortgage interest relief), in subsection (1A) (percentage of interest deductible), for paragraph (a) there shall be substituted—

“(a) in relation to so much of any payment of relevant loan interest as is not a payment in relation to which paragraph (b) below has effect, means 10 per cent; and”.

(3) Subsection (1) above has effect in relation to any payment of interest (whenever falling due) made in the year 1998-99 or any subsequent year of assessment; and subsection (2) above has effect in relation to any payment of interest which becomes due in the year 1998-99 or any subsequent year of assessment.]

#### Textual Amendments

**F1** S. 15 repealed (27.7.1999 with effect as mentioned in s. 38(3)(4) of the amending Act) by 1999 c. 16, s. 139, Sch. 20 Pt. III(7) Note 4

**F2** S. 15(1) repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 3 Pt. 1 (with Sch. 2)

#### [<sup>F3</sup>16 Limit on relief for interest for 1998-99. U.K.]

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*Status: Point in time view as at 06/04/2007.*

*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 1997, Cross Heading: Reliefs for interest and private medical insurance. (See end of Document for details)*

### Textual Amendments

**F3** S. 16 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

## 17 **Withdrawal of relief on medical insurance premiums.** **U.K.**

- (1) Subject to subsections (2) and (3) below, relief under section 54 of the <sup>M1</sup>Finance Act 1989 (medical insurance) shall not be given in respect of any payment where either—
  - (a) the premium in respect of which the payment is made is a premium under a contract entered into on or after 2nd July 1997; or
  - (b) the payment is received by the insurer on or after 6th April 1999.
- (2) Subsection (1) above shall not affect the giving of relief in respect of a payment received by an insurer before 6th April 1999 where—
  - (a) the premium in respect of which the payment is made is a premium under a contract entered into on or after 2nd July 1997 but before 1st August 1997;
  - (b) the contract is one entered into in pursuance of a written proposal received by or on behalf of the insurer before 2nd July 1997;
  - (c) the contract is not a contract entered into by way of the renewal of an earlier contract; and
  - (d) if the payment is not itself a payment received before 1st August 1997, the insurer had before 1st August 1997 received an earlier payment in respect of a premium under the contract in question.
- (3) Subsection (1) above shall not affect the giving of relief in respect of a payment received by an insurer before 6th April 1999 where—
  - (a) the premium in respect of which the payment is made is a premium under a contract entered into on or after 2nd July 1997 but before 1st August 1997;
  - (b) that contract is one entered into by way of the renewal of an earlier contract;
  - (c) the period of insurance under the earlier contract ended before 2nd July 1997; and
  - (d) if the payment is not itself a payment received before 1st August 1997, the insurer had before 1st August 1997 received an earlier payment in respect of a premium under the renewal contract.
- (4) For the purposes of the preceding provisions of this section a contract shall be taken to have been entered into by way of the renewal of an earlier contract only if—
  - (a) it was entered into by way of the renewal of a contract which was an eligible contract for the purposes of section 54 of the <sup>M2</sup>Finance Act 1989 when that earlier contract was entered into;
  - (b) the insurer under the earlier contract and the insurer under the contract by which it has been renewed are the same; and
  - (c) the period of insurance under the earlier contract ended immediately before the beginning of the period of insurance under the contract by which it has been renewed.
- (5) This section has effect for the year 1997-98 and subsequent years of assessment.

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**Status:** Point in time view as at 06/04/2007.

**Changes to legislation:** There are currently no known outstanding effects for the Finance (No. 2) Act 1997, Cross Heading: Reliefs for interest and private medical insurance. (See end of Document for details)

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**Marginal Citations**

**M1** 1989 c. 26.

**M2** 1989 c. 26.

**Status:**

Point in time view as at 06/04/2007.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance (No. 2) Act 1997, Cross Heading: Reliefs for interest and private medical insurance.