



Finance Act 1999

1999 CHAPTER 16

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Education and training

58 Employees seconded to educational establishments.

- (1) Section 86 of the Taxes Act 1988 (employees seconded to charities and educational establishments) shall be amended as follows.
- (2) In subsection (3) (relief for expenditure attributable to the employment before 1st April 1997 of employees seconded to educational establishments), the words “and before 1st April 1997” shall be omitted.
- (3) In that subsection, for paragraphs (a) to (c) there shall be substituted—
 - “(a) in England and Wales, any body falling within subsection (4) below;
 - (b) in Scotland, any body falling within subsection (5) below;
 - (c) in Northern Ireland, any body falling within subsection (6) below;and”.
- (4) After subsection (3) there shall be inserted—
 - “(4) A body falls within this subsection if it is—
 - (a) a local education authority;
 - (b) an educational institution maintained or otherwise supported by such an authority (including a grant-maintained school or a grant-maintained special school within the meaning of the ^{M1}Education Act 1996);
 - (c) an independent school, within the meaning of the Education Act 1996, whose registration under section 465 of that Act is final; or

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- (d) an institution within the further education sector, or the higher education sector, within the meaning of the ^{M2}Further and Higher Education Act 1992.
- (5) A body falls within this subsection if it is—
- (a) an education authority;
 - (b) an educational establishment managed by such an authority within the meaning of the ^{M3}Education (Scotland) Act 1980 (“the 1980 Act”);
 - (c) a public or grant-aided school within the meaning of the 1980 Act;
 - (d) a self-governing school within the meaning of the ^{M4}Self-Governing Schools etc. (Scotland) Act 1989;
 - (e) an independent school within the meaning of the 1980 Act;
 - (f) a central institution within the meaning of the 1980 Act;
 - (g) an institution within the higher education sector within the meaning of section 56(2) of the ^{M5}Further and Higher Education (Scotland) Act 1992; or
 - (h) a college of further education within the meaning of section 36(1) of that Act.
- (6) A body falls within this subsection if it is—
- (a) an education or library board within the meaning of the ^{M6}Education and Libraries (Northern Ireland) Order 1986;
 - (b) a college of education or a controlled, maintained, grant-maintained integrated, controlled integrated, voluntary or independent school within the meaning of that Order; or
 - (c) an institution of further education within the meaning of the ^{M7}Further Education (Northern Ireland) Order 1997.”
- (5) The amendment made by subsection (2) above shall be deemed always to have had effect.
- (6) The amendments made by subsections (3) and (4) above have effect for the year 1999-00 and subsequent years of assessment.

Marginal Citations

- M1** 1996 c.56.
M2 1992 c.13.
M3 1980 c.44.
M4 1989 c.39.
M5 1992 c.37.
M6 S.I. 1986/594 (N.I. 3).
M7 S.I. 1997/1772 (N.I. 15).

59 Phasing out of vocational training relief.

- (1) For subsection (2) of section 32 of the ^{M8}Finance Act 1991 (vocational training relief) there shall be substituted—

“(2) The individual shall be entitled to relief under this subsection in respect of the payment for the year of assessment in which it is made; but relief under this

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subsection shall be given only on a claim made for the purpose, except where subsections (3) to (5) below apply.

(2A) Where an individual is entitled to relief under subsection (2) above in respect of any payment made in a year of assessment, the amount of his liability for that year to income tax on his total income shall be the amount to which he would be liable apart from this section less whichever is the smaller of—

- (a) the amount which is equal to such percentage of the amount of the payment as is the basic rate for the year; and
- (b) the amount which reduces his liability to nil.

(2B) In determining for the purposes of subsection (2A) above the amount of income tax to which a person would be liable apart from this section, no account shall be taken of—

- (a) any income tax reduction under Chapter I of Part VII of the Taxes Act 1988 or under section 347B of that Act;
- (b) any income tax reduction under section 353(1A) of the Taxes Act 1988;
- (c) 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 of the Taxes Act 1988 or by way of a credit under section 790(1) of that Act;
- (d) 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."

(2) That section and section 33 of that Act (provisions supplementary to section 32) shall cease to have effect.

(3) In this section—

- (a) subsection (1) has effect in relation to payments made on or after 6th April 1999; and
- (b) subsection (2) shall have effect in relation to payments made on or after such date after 6th April 2000 as the Treasury may by order appoint.

Subordinate Legislation Made

P1 S. 59(3)(b) power fully exercised: 1.9.2000 appointed by [S.I. 2000/2004](#), [art. 2](#)

Marginal Citations

M8 [1991 c.31](#)

60 Student loans: certain interest to be disregarded.

The following section shall be inserted after section 331 of the Taxes Act 1988—

“331A Student loans: certain interest to be disregarded.

(1) If—

- (a) a loan is made to a person under any of the relevant student loan provisions,

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- (b) an amount is recovered from him in respect of the loan,
 - (c) an amount is repaid to him in respect of the amount recovered, and
 - (d) interest is paid to him in respect of the amount repaid,
- the interest shall be disregarded for all purposes of income tax.
- (2) For the purposes of subsection (1) above the relevant student loan provisions are—
- (a) section 22 of the ^{M9}Teaching and Higher Education Act 1998;
 - (b) section 73(f) of the ^{M10}Education (Scotland) Act 1980;
 - (c) Article 3 of the ^{M11}Education (Student Support) (Northern Ireland) Order 1998.”

Marginal Citations

M9 1998 c.30

M10 1980 c.44

M11 S.I. 1998/1760 (N.I. 14).

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