

Status: Point in time view as at 06/04/2007.

Changes to legislation: Finance Act 1999, Cross Heading: Amendments of Part IX of the Taxes Act 1988 is up to date with all changes known to be in force on or before 02 July 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)

SCHEDULES

SCHEDULE 4

WITHDRAWAL OF RELIEF FOR INTEREST ON LOANS TO BUY LAND ETC.

Amendments of Part IX of the Taxes Act 1988

- 1 (1) Section 353 of the Taxes Act 1988 (general provision for relief for interest payments) is amended as follows.
- (2) In subsection (1), for “sections 354”, in each place, substitute “ sections 359 ”.
- (3) In subsections (1A) and (1B), omit the words “354 or”.
- ^{F1}(4)

Textual Amendments

- F1** Sch. 4 para. 1(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

- 2 Sections 354 to 358 of the Taxes Act 1988 (loans to buy land etc.) shall cease to have effect.
- 3 (1) Section 367 of the Taxes Act 1988 (supplementary provisions) is amended as follows.
- (2) Omit subsection (1) and, in subsection (2), the words “354(1) and”.
- (3) In subsections (3) and (4), for “sections 354”, in each place, substitute “ sections 359 ”.
- (4) In subsection (5), for “sections 356A to 357 and” substitute “ section ”.
- 4 In section 369 of the Taxes Act 1988 (mortgage interest payable under deduction of tax), for subsection (1A) substitute—
- “(1A) In subsection (1) above “the applicable percentage” means the percentage which is the basic rate for the year of assessment in which the payment has become or becomes due.”
- 5 (1) Section 370 of the Taxes Act 1988 (meaning of “relevant loan interest”) is amended as follows.
- (2) In subsection (1)—
- (a) for “sections 372” substitute “ sections 373 ”; and
- (b) omit the words “or (3)”.
- (3) In subsection (2), omit the words “354(1) or”, “356A, 357 or”, and paragraph (c) and the word “and” immediately before it.
- (4) Omit subsections (3), (4), (6) and (7).

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- (5) In subsection (5), for the words from “sections” to “each” substitute “ section 365 shall ”.
- 6 Section 372 of the Taxes Act 1988 (home improvement loans) shall cease to have effect.
- 7 (1) Section 373 of the Taxes Act 1988 (loans in excess of the qualifying maximum, and joint borrowers) is amended as follows.
- (2) Omit—
- (a) in subsection (1), the words “section 356A, section 357(1) or”;
 - (b) subsections (3) and (4);
 - (c) in subsection (5), the words from “and” to “also fulfilled”;
 - (d) in subsection (7), the words from “and” to the end.
- (3) In subsection (6), for “sections 370 to 372” substitute “ section 370 ”.
- 8 In section 374 of the Taxes Act 1988 (conditions for application of section 369), omit subsection (1)(c) and, in subsection (2), the words “(c) or”.
- 9 (1) In section 375 of the Taxes Act 1988 (interest ceasing to be relevant loan interest, etc.), after subsection (8A) insert—
- “(8B) Subsections (1), (5) and (6) above shall not apply where interest ceases to be relevant loan interest by virtue of section 38 of the Finance Act 1999.”
- (2) Omit subsections (9) and (10) of that section.
- 10 Section 375A of the Taxes Act 1988 (option to deduct interest for Schedule A purposes) shall cease to have effect.
- 11 In section 376 of the Taxes Act 1988 (meaning of qualifying borrowers and qualifying lenders), omit—
- (a) in subsection (3), the words from “and” to the end; and
 - (b) subsection (6).
- 12 Section 377 of the Taxes Act 1988 (variation of repayment terms of certain loans) shall cease to have effect.
- 13 In section 378 of the Taxes Act 1988 (supplementary regulations)—
- (a) omit subsections (1), (2) and (4); and
 - (b) in subsection (3), for “377”, wherever occurring, substitute “ 376A ”.
- 14 In section 379 of the Taxes Act 1988 (interpretation of sections 369 to 378)—
- (a) in the definition of “qualifying lender”, omit the words “to (6)”;
 - (b) in the definition of “regulations”, omit the words “except in sections 378(1) and (2)”;
 - (c) after the definition of “relevant loan interest” insert the following definition—
- ““separated” means separated under an order of a court of competent jurisdiction or by deed of separation or in such circumstances that the separation is likely to be permanent.”

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