

Status: Point in time view as at 05/12/2005.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2004, Cross Heading: Intangible property comprised in settlement where settlor retains an interest. (See end of Document for details)

SCHEDULES

SCHEDULE 15

CHARGE TO INCOME TAX ON BENEFITS RECEIVED BY FORMER OWNER OF PROPERTY

Intangible property comprised in settlement where settlor retains an interest

- 8 (1) This paragraph applies where—
- (a) the terms of a settlement, as they affect any property comprised in the settlement, are such that any income arising from the property would be treated by virtue of [^{F1} section 624 of ITTOIA 2005] (income arising under settlement where settlor retains an interest) as income of a person (“the chargeable person”) who is for the purposes of [^{F2} Chapter 5 of Part 5] of that Act the settlor,
 - (b) any such income would be so treated even if [^{F3} section 625(1) of ITTOIA 2005 (settlor's retained interest)] did not include any reference to the spouse [^{F4} or civil partner] of the settlor, and
 - (c) that property includes any property as respects which the condition in sub-paragraph (2) is met (“the relevant property”).
- (2) The condition mentioned in sub-paragraph (1)(c) is that the property is intangible property which is or represents property which the chargeable person settled, or added to the settlement, after 17th March 1986.
- (3) Where this paragraph applies in respect of the whole or part of a year of assessment, an amount equal to the chargeable amount determined under paragraph 9 is to be treated as income of the chargeable person chargeable to income tax.

Textual Amendments

- F1** Words in Sch. 15 para. 8(1)(a) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 653\(3\)\(a\)\(i\)](#) (with Sch. 2)
- F2** Words in Sch. 15 para. 8(1)(a) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 653\(3\)\(a\)\(ii\)](#) (with Sch. 2)
- F3** Words in Sch. 15 para. 8(1)(b) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 653\(3\)\(b\)](#) (with Sch. 2)
- F4** Words in Sch. 15 para. 8(1)(b) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\), regs. 1\(1\), 179\(a\)](#)

- 9 (1) For any taxable period the chargeable amount in relation to the relevant property is N minus T where—
- N is the amount of the interest that would be payable for the taxable period if interest were payable at the prescribed rate on an amount equal to the value of the relevant property at the valuation date, and

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T is the amount of any income tax or capital gains tax payable by the chargeable person in respect of the taxable period by virtue of any of the following provisions—

- (a) [^{F5}section 461 of ITTOIA 2005],
- (b) [^{F6}section 624 of that Act],
- (c) section 739 of [^{F7}the Taxes Act 1988],
- (d) section 77 of the Taxation of Chargeable Gains Act 1992 (c. 12), and
- (e) section 86 of that Act,

so far as the tax is attributable to the relevant property.

(2) Regulations may, in relation to any valuation date, provide for a valuation of the relevant property by reference to an earlier valuation date to apply subject to any prescribed adjustments.

(3) In this paragraph—

“the taxable period” means the year of assessment, or part of a year of assessment, during which paragraph 8 applies to the chargeable person;

“the valuation date”, in relation to a year of assessment, means such date as may be prescribed.

Textual Amendments

- F5** Words in Sch. 15 para. 9(1) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 653\(4\)\(a\)](#) (with Sch. 2)
- F6** Words in Sch. 15 para. 9(1) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 653\(4\)\(b\)](#) (with Sch. 2)
- F7** Words in Sch. 15 para. 9(1) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 653\(4\)\(c\)](#) (with Sch. 2)

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