



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4

SAVINGS AND INVESTMENT INCOME

CHAPTER 3

DIVIDENDS ETC. FROM UK RESIDENT COMPANIES ETC.

Shares in approved share incentive plans (“SIPs”)

395 Reduction in tax due in cases within section 394

- (1) This section applies if—
 - (a) a person is liable to tax as a result of section 394, and
 - (b) any tax is paid on any capital receipts under section 501 of ITEPA 2003 (charge on capital receipts in respect of plan shares) in respect of the shares that cease to be subject to the approved share incentive plan.
- (2) The tax due is to be reduced by an amount equal to the total tax so paid.
- (3) In subsection (2) “the tax due” means the amount of tax due as a result of section 394 after deduction of the tax credit determined in accordance with section 394(5).
- (4) For rules identifying shares ceasing to be subject to approved share incentive plans, see section 508 of ITEPA 2003.