



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 5

MISCELLANEOUS INCOME

CHAPTER 6

BENEFICIARIES' INCOME FROM ESTATES IN ADMINISTRATION

Special rules for successive interests

673 Successive interests: payments in respect of limited interests followed by absolute interests

- (1) This section applies if—
 - (a) two or more interests in the whole or part of the residue of an estate are held successively during the administration period by different persons,
 - (b) each later interest arises or is created on the cessation of the previous interest otherwise than by death,
 - (c) at least one of the interests is an absolute interest, and
 - (d) at least one of the interests preceding that interest is a limited interest.
- (2) A sum to which a person (“P”) with such an absolute interest is entitled in respect of any such limited interest which is paid while P has the absolute interest is treated as paid in respect of the absolute interest (and not the limited interest).
- (3) Subsection (4) applies if—
 - (a) P's absolute interest ceases during the administration period, and
 - (b) a sum to which P is entitled in respect of any such limited interest—

Status: Point in time view as at 06/04/2005.

Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 673. (See end of Document for details)

- (i) is paid after the absolute interest ceases but before the end of the administration period, or
 - (ii) remains payable at the end of it.
- (4) This Chapter applies as respects any such sum as if the limited interest had continued to subsist while that absolute interest subsisted and had been held by P.
- (5) Subsection (4) is subject to subsection (6).
- (6) For the purposes only of section 668 (reduction in share of residuary income of estate), any such sum is treated as paid or payable in respect of the absolute interest.

Status:

Point in time view as at 06/04/2005.

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