



Finance Act 2005

2005 CHAPTER 7

PART 2

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 4

TRUSTS WITH VULNERABLE BENEFICIARY

Capital gains tax

33 Vulnerable person's liability: VQTG

- (1) For the purposes of section 32, VQTG is an amount equal to—

$$TLVA - TLVB$$

where—

TLVB is an amount determined in accordance with subsection (2) (total tax liability of vulnerable person), and

TLVA is an amount determined in accordance with subsection (3) (what total tax liability of vulnerable person would be if it included tax in respect of notional section 77 gains).

- (2) TLVB is the total amount of income tax and capital gains tax to which the vulnerable person would be liable for the tax year—
- (a) if his income for the tax year were equal to the sum of his actual income for the tax year (if any) and the amount of the trustees' specially taxed income (if any) for the tax year, and

Status: Point in time view as at 07/04/2005. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2005, Section 33. (See end of Document for details)

- (b) if his taxable amount for the tax year for the purposes of section 3 of TCGA 1992 were equal to his deemed CGT taxable amount for the tax year (if any).
- (3) TLVA is what TLVB would be if the vulnerable person's taxable amount for the tax year for the purposes of section 3 of TCGA 1992 were equal to the sum of the amount mentioned in subsection (2)(b) and his notional section 77 gains for the tax year.
- (4) For the purposes of this section—
 - (a) the vulnerable person's actual income for the tax year,
 - (b) the trustees' specially taxed income for the tax year,
 - (c) the vulnerable person's deemed CGT taxable amount for the tax year, and
 - (d) the vulnerable person's notional section 77 gains for the tax year,are to be determined in accordance with Schedule 1.

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