



# Finance Act 2007

## 2007 CHAPTER 11

### PART 3

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Other income tax measures*

#### **67 Unpaid remuneration and employee benefit contributions**

- (1) Section 31 of ITTOIA 2005 (relationship between rules prohibiting and allowing deductions: trading income) is amended as follows.
- (2) In subsection (1) (priority of relevant permissive rules over relevant prohibitive rules), in paragraph (b) (sections to which that priority rule is subject), for “sections 48 (car or motor cycle hire) and” substitute “section 36 (unpaid remuneration), section 38 (employee benefit contributions), section 48 (car or motor cycle hire) and section”.
- (3) In subsection (3) (meaning of “relevant prohibitive rule”), after “sections” insert “36, 38,”.
- (4) Section 274 of ITTOIA 2005 (provision corresponding to section 31 of that Act in case of property income) is amended as follows.
- (5) In subsection (1)(b), for “sections 48 (car or motor cycle hire) and” substitute “section 36 (unpaid remuneration), section 38 (employee benefit contributions), section 48 (car or motor cycle hire) and section”.
- (6) In subsection (3), after “sections” insert “36, 38,”.
- (7) The amendments made by this section have effect for the tax year 2007-08 and subsequent tax years.