



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 1

#### OVERVIEW

#### 1 Overview of Income Tax Acts

- (1) The following Acts make provision about income tax—
  - (a) ITEPA 2003 (which is about charges to tax on employment income, pension income and social security income),
  - (b) ITTOIA 2005 (which is about charges to tax on trading income, property income, savings and investment income and some other miscellaneous income), and
  - (c) this Act (which contains the other main provisions about income tax).
- (2) There are also provisions about income tax elsewhere: see in particular—
  - (a) Part 18 of ICTA (double taxation relief),
  - (b) CAA 2001 (allowances for capital expenditure), and
  - (c) Part 4 of FA 2004 (pension schemes etc).
- (3) Schedule 1 to the Interpretation Act 1978 (c. 30) defines “the Income Tax Acts” (as all enactments relating to income tax).

#### 2 Overview of Act

- (1) This Act has 17 Parts.
- (2) Part 2 contains basic provisions about income tax including—
  - (a) provision about the annual nature of income tax (Chapter 1),
  - (b) the rates at which income tax is charged (Chapter 2), and
  - (c) the calculation of income tax liability (Chapter 3).
- (3) Part 3 is about taxpayers' personal reliefs including—
  - (a) personal allowances (Chapter 2),

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- (b) blind persons' allowances (Chapter 2), and
  - (c) tax reductions for married couples and civil partners (Chapter 3).
- (4) Part 4 is about loss relief including relief for—
- (a) trade losses (Chapters 2 and 3),
  - (b) losses from property businesses (Chapter 4),
  - (c) losses in an employment or office (Chapter 5),
  - (d) losses on disposal of shares (Chapter 6), and
  - (e) losses from miscellaneous transactions (Chapter 7).
- (5) Part 5 is about relief under the enterprise investment scheme.
- (6) Part 6 is about—
- (a) relief for investment in venture capital trusts, and
  - (b) other matters relating to venture capital trusts.
- (7) Part 7 is about community investment tax relief.
- (8) Part 8 is about a variety of reliefs including relief for—
- (a) interest payments (Chapter 1),
  - (b) gifts to charity including gift aid (Chapters 2 and 3),
  - (c) annual payments and patent royalties (Chapter 4), and
  - (d) maintenance payments (Chapter 5).
- (9) Part 9 contains special rules about settlements and trustees including—
- (a) general provision about settlements and trustees (Chapter 2),
  - (b) special income tax rates for trusts (Chapters 3, 4, 5 and 6),
  - (c) rules about trustees' expenses (Chapters 4 and 8),
  - (d) rules about trustees' discretionary payments (Chapter 7),
  - (e) rules about unauthorised unit trusts (Chapter 9), and
  - (f) rules about heritage maintenance settlements (Chapter 10).
- (10) Part 10 contains special rules about charitable trusts etc.
- (11) Part 11 is about manufactured payments and repos.
- (12) Part 12 is about accrued income profits.
- (13) Part 13 is about tax avoidance in relation to—
- (a) transactions in securities (Chapter 1),
  - (b) transfers of assets abroad (Chapter 2),
  - (c) transactions in land (Chapter 3),
  - (d) sales of occupation income (Chapter 4), and
  - (e) trade losses (Chapter 5).
- (14) Part 14 deals with some miscellaneous rules about income tax liability, including—
- [<sup>F1</sup>(za) an alternative basis for charge (the remittance basis) for certain income and gains of certain individuals (Chapter A1),]
  - (a) limits on liability to income tax for non-UK residents (Chapter 1),
  - (b) special rules about residence (Chapter 2), and
  - (c) rules about jointly held property (Chapter 3).

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- (15) Part 15 is about the deduction of income tax at source.
- (16) Part 16 contains definitions which apply for the purposes of the Income Tax Acts and other general provisions which apply for the purposes of those Acts.
- (17) Part 17—
- (a) contains provisions to be used in interpreting this Act,
  - (b) introduces Schedule 1 (minor and consequential amendments),
  - (c) introduces Schedule 2 (transitional provisions and savings),
  - (d) introduces Schedule 3 (repeals and revocations, including of spent enactments),
  - (e) introduces Schedule 4 (index of defined expressions that apply for the purposes of this Act),
  - (f) confers powers on the Treasury to make orders, and
  - (g) makes provision about the coming into force of this Act.

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**Textual Amendments**

- F1** S. 2(14)(za) inserted (21.7.2008 with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 75](#)

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