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SCHEDULES

SCHEDULE 1 **U.K.**

MINOR AND CONSEQUENTIAL AMENDMENTS

PART 2 **U.K.**

OTHER ENACTMENTS

Income Tax (Earnings and Pensions) Act 2003 (c. 1)

- 425 The Income Tax (Earnings and Pensions) Act 2003 is amended as follows.
- 426 In section 1 (overview of contents of Act) omit subsection (2).
- 427 In section 11(3) (calculation of “net taxable earnings”) for “section 380(1) of ICTA” substitute “ section 128 of ITA 2007 ”.
- 428 In section 24(6)(a) (limit on chargeable overseas earnings where duties of associated employment performed in UK) for “section 840 of ICTA” substitute “ section 995 of ITA 2007 ”.
- 429 In section 48(2) (scope of Chapter) for “subject to deduction of tax under section 555 of ICTA (payments to non-resident entertainers and sportsmen)” substitute “ or transfers to which section 966(3) or (4) of ITA 2007 applies (visiting performers: duty to deduct and account for sums representing income tax) ”.
- 430 In section 69(1) (extended meaning of “control”) for “section 840 of ICTA” substitute “ section 995 of ITA 2007 ”.
- 431 In section 178 (exception for loans where interest qualifies for tax relief)—
- (a) in paragraph (a) for the words from “(general” to “MIRAS)” substitute “ or section 383 of ITA 2007 (relief for interest payments) ”, and
 - (b) in paragraph (b) for “that section” substitute “ section 353 of ICTA ”.
- 432 In section 180(5) (threshold for benefit of loan to be treated as earnings)—
- (a) in paragraph (a) for the words from “(general” to “MIRAS)” substitute “ or section 383 of ITA 2007 (relief for interest payments) ”, and
 - (b) in paragraph (b) for “that section” substitute “ section 353 of ICTA ”.
- 433 In section 230(5)(a) (the approved amount for mileage allowance payments) for “section 840 of ICTA” substitute “ section 995 of ITA 2007 ”.
- 434 In section 329(6) (deductions from earnings not to exceed earnings) for “section 380 of ICTA” substitute “ section 128 of ITA 2007 ”.
- 435 In section 347(2) (payments made after leaving an employment) for “from total income” substitute “ in calculating net income ”.
- 436 In section 357(2) after “section 505(1)(e) of ICTA” insert “ or section 524 of ITA 2007 ”.

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437 After section 404 insert—

“404A Amounts charged to be treated as highest part of total income

- (1) A payment or other benefit which counts as a person's employment income as a result of section 403 is treated as the highest part of the person's total income.
- (2) Subsection (1) has effect for all income tax purposes except the purposes of sections 535 to 537 of ITTOIA 2005 (gains from contracts for life insurance etc: top slicing relief).
- (3) See section 1012 of ITA 2007 (relationship between highest part rules) for the relationship between—
 - (a) the rule in subsection (1), and
 - (b) other rules requiring particular income to be treated as the highest part of a person's total income.”

438 In section 476 (charge on occurrence of chargeable event) after subsection (5) insert—

“(5A) An amount charged under subsection (5)(a) is treated for income tax purposes as an amount of income.”

439 (1) Amend section 515 (tax advantages and charges relating to SIPs) as follows.

(2) In subsection (1)—

- ^{F1}(a)
- (b) omit paragraph (b) and the “and” immediately after it.

(3) In subsection (2)—

- (a) omit the “and” immediately after paragraph (b), and
- (b) after paragraph (c) insert “, and
- (d) Chapter 5 of Part 9 of ITA 2007 (which provides for section 479 of that Act not to apply to income of the trustees of an approved SIP in certain circumstances)”.

(4) Omit subsection (3).

Textual Amendments

F1 Sch. 1 para. 439(2)(a) repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

440 (1) Amend section 555 (deduction for liabilities related to former employment) as follows.

(2) In subsection (2)—

- (a) for “when computing the former employee's total income” substitute “ in calculating the former employee's net income ”, and
- (b) at the end insert “ (see Step 2 of the calculation in section 23 of ITA 2007) ”.

(3) For subsection (6) substitute—

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- “(6) See section 263ZA of TCGA 1992 for relief from capital gains tax where the amount of the deduction allowed under this section exceeds the remaining total income (as defined in that section).”
- (4) In the sidenote for “from total income” substitute “ in calculating net income ”.
- (5) In the italic cross-heading before the section for “from total income” substitute “ in calculating net income ”.
- 441 In section 609(1) after “section 273 of ICTA” insert “ or section 459 of ITA 2007 ”.
- 442 In section 718 (connected persons) for “Section 839 of ICTA” substitute “ Section 993 of ITA 2007 ”.
- 443 In section 719 (control in relation to a body corporate)—
- (a) for “Section 840 of ICTA (meaning of control in relation to a body corporate)” substitute “ Section 995 of ITA 2007 (meaning of “control”) ”, and
- (b) for the sidenote substitute “ Meaning of “control” ”.
- 444 (1) Amend section 721 (other definitions) as follows.
- (2) In subsection (1)—
- (a) after the definition of “foreign employer” insert “ and ”, and
- (b) omit the words after the definition of “non-cash voucher”.
- (3) Omit subsection (2).
- 445 In Part 1 of Schedule 1 (abbreviations) in the appropriate place insert—
- | “ITA 2007 | The Income Tax Act 2007.” |
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- 446 (1) Amend Part 2 of Schedule 1 (defined expressions) as follows.
- (2) In the entry for “assignment (in the application of the Act to Scotland)”, in the second column, for “section 721(2)” substitute “ section 1008(1) of ITA 2007 ”.
- (3) In the entry for “basic rate”, in the second column, for “section 832(1) of ICTA” substitute “ section 6(2) of ITA 2007 (as applied by section 989 of that Act) ”.
- (4) In the entry for “body of persons”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (5) In the entry for “capital allowance”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (6) In the entry for “child, children”, in the second column, omit “section 832(5) of ICTA, and see”.
- (7) In the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (8) In the entry for “company”, in the second column, for “section 832(1) of ICTA” substitute “ section 992 of ITA 2007 ”.
- (9) In the entry for “connected”, in the second column, for “section 839 of ICTA” substitute “ section 993 of ITA 2007 ”.

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- (10) In the entry for “control”, in the second column, for “section 840 of ICTA” substitute “ section 995 of ITA 2007 ”.
- (11) In the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (12) In the entry for “generally accepted accounting practice”, in the second column, for “section 832(1) of ICTA” substitute “ section 997 of ITA 2007 ”.
- (13) Omit the entry for “interest”.
- (14) In the entry for “local authority”, in the second column, for “section 842A of ICTA” substitute “ section 999 of ITA 2007 ”.
- (15) After the entry for “national insurance contributions” insert—

“net income	section 23 of ITA 2007 (as applied by section 989 of that Act)”
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- (16) In the entry for “the normal self-assessment filing date”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”.
- (17) In the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (18) In the entry for “offshore installation”, in the second column, for “section 837C of ICTA” substitute “ sections 1001 and 1002 of ITA 2007 ”.
- (19) In the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (20) In the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”.
- (21) In the entry for “recognised stock exchange”, in the second column, for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”.
- (22) In the entry for “registered pension scheme”, in the second column, for “section 832(1) of ICTA” substitute “ section 150(2) of FA 2004 (as applied by section 989 of ITA 2007) ”.
- (23) In the entry for “Schedule A business”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (24) In the entry for “stepchild”, in the second column, for “section 832(1) of ICTA” substitute “ section 246 of the Civil Partnership Act 2004 (as applied by section 989 of ITA 2007) ”.
- (25) In the entry for “51% subsidiary”, in the second column, for “section 838(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (26) In the entry for “tax”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”.
- (27) In the entry for “tax credit”, in the second column, for “section 832(1) of ICTA” substitute “ section 397(1) of ITTOIA 2005 (as applied by section 989 of ITA 2007) ”.

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- (28) In the entry for “tax year”, in the second column, for “section 721(1)” substitute “section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”.
- (29) In the entry for “the tax year 2003-04 etc”, in the second column, for “section 721(1)” substitute “ section 4(4) of ITA 2007 (as applied by section 989 of that Act) ”.
- (30) In the entry for “total income” for “section 835 of ICTA” substitute “ section 23 of ITA 2007 (as applied by section 989 of that Act) ”.
- (31) In the entry for “trade”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”.
- (32) In the entry for “United Kingdom”, in the second column, for “section 830 of ICTA” substitute “ section 1013 of ITA 2007 ”.
- (33) In the entry for “UK property business”, in the second column, omit “section 832(1) of ICTA and” and at the end insert “ (as applied by section 989 of ITA 2007) ”.
- 447 (1) Amend Schedule 2 (approved share incentive plans) as follows.
- (2) In paragraph 49(3)—
- (a) in paragraph (a) for “section 840A(1)(b) of ICTA” substitute “ section 991(2) (b) of ITA 2007 ”, and
- (b) in paragraph (c) for “section 840A(1)(c) of ICTA” substitute “ section 991(2) (c) of ITA 2007 ”.
- (3) In paragraph 100—
- (a) in the entry for “building society”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (b) in the entry for “child”, in the second column, for “section 832(5) of ICTA (and see section 721(6))” substitute “ section 721(6) ”,
- (c) in the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (d) in the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (e) in the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (f) in the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (g) in the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”,
- (h) in the entry for “recognised stock exchange”, in the second column, for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”,
- (i) in the entry for “tax”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”, and
- (j) in the entry for “tax year”, in the second column, for “section 721(1)” substitute “ section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”.
- 448 In paragraph 49 of Schedule 3 (approved SAYE Option Schemes)—
- (a) in the entry for “child”, in the second column, for “section 832(5) of ICTA (and see section 721(6) of this Act)” substitute “ section 721(6) ”,
- (b) in the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,

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- (c) in the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (d) omit the entry for “interest”,
 - (e) in the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (f) in the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (g) in the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”,
 - (h) in the entry for “recognised stock exchange”, in the second column, for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”,
 - (i) in the entry for “tax”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”, and
 - (j) omit the entry for “United Kingdom”.
- 449 In paragraph 37 of Schedule 4 (approved CSOP Schemes)—
- (a) in the entry for “child”, in the second column, for “section 832(5) of ICTA (and see section 721(6) of this Act)” substitute “ section 721(6) ”,
 - (b) in the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (c) in the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (d) in the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (e) in the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (f) in the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”,
 - (g) in the entry for “recognised stock exchange”, in the second column, for “section 841 of ICTA” substitute “ section 1005 of ITA 2007 ”, and
 - (h) omit the entry for “United Kingdom”.
- 450 (1) Amend Schedule 5 (enterprise management incentives) as follows.
- (2) In paragraph 11(10) (meaning of “qualifying subsidiary”)—
 - (a) for “section 312(2A) of ICTA” substitute “ section 252 of ITA 2007 ”, and
 - (b) for “Chapter 3 of Part 7 of ICTA” substitute “ Part 5 of ITA 2007 ”.
 - (3) In paragraph 58, in the definition of “research and development”, for “section 837A of ICTA” substitute “ section 1006 of ITA 2007 ”.
 - (4) In paragraph 59—
 - (a) in the entry for “child”, in the second column, for “section 832(5) of ICTA (and see section 721(6) of this Act)” substitute “ section 721(6) ”,
 - (b) in the entry for “close company”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (c) in the entry for “distribution”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
 - (d) in the entry for “farming”, in the second column, for “section 832(1) of ICTA” substitute “ section 996 of ITA 2007 ”,

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- (e) in the entry for “generally accepted accounting practice”, in the second column, for “section 50(1) of the Finance Act 2004” substitute “ section 997 of ITA 2007 ”,
- (f) in the entry for “notice”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (g) in the entry for “offshore installation”, in the second column, for “section 837C of ICTA” substitute “ sections 1001 and 1002 of ITA 2007 ”,
- (h) in the entry for “ordinary share capital”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (i) in the entry for “personal representatives”, in the second column, for “section 721(1)” substitute “ section 989 of ITA 2007 ”,
- (j) in the entry for “51% subsidiary”, in the second column, for “section 838(1) of ICTA” substitute “ section 989 of ITA 2007 ”,
- (k) in the entry for “tax”, in the second column, at the end insert “ (as applied by section 989 of ITA 2007) ”,
- (l) in the entry for “tax year”, in the second column, for “section 721(1)” substitute “ section 4(2) of ITA 2007 (as applied by section 989 of that Act) ”,
- (m) in the entry for “trade”, in the second column, for “section 832(1) of ICTA” substitute “ section 989 of ITA 2007 ”, and
- (n) in the entry for “United Kingdom”, in the second column, for “section 830 of ICTA” substitute “ section 1013 of ITA 2007 ”.

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