



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 8

#### OTHER RELIEFS

#### CHAPTER 1

#### INTEREST PAYMENTS

#### *Loans for plant or machinery*

#### **391 Eligibility requirements for interest on loans within section 390**

- (1) Interest on a loan within section 390(1) is eligible for relief if conditions A and B are met.
- (2) Condition A is that the interest is paid by the individual referred to in section 390(2).
- (3) Condition B is that the interest falls due and payable not later than 3 years after the end of the tax year in which the loan was made.
- (4) If the machinery or plant is in use partly for the purposes of the office or employment referred to in section 390(2) (“employment purposes”) and partly for other purposes, only part of the interest is eligible for relief.
- (5) That part is such part as it is just and reasonable to attribute to employment purposes having regard to all the relevant circumstances and, in particular, to the extent of the use for other purposes.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax Act 2007, Section 391.