



Income Tax Act 2007

2007 CHAPTER 3

PART 9

SPECIAL RULES ABOUT SETTLEMENTS AND TRUSTEES

CHAPTER 3

SPECIAL RATES FOR TRUSTEES' INCOME

480 Meaning of “accumulated or discretionary income”

- (1) Income is accumulated or discretionary income so far as—
 - (a) it must be accumulated, or
 - (b) it is payable at the discretion of the trustees or any other person, and it is not excluded by subsection (3).
- (2) The cases covered by subsection (1)(b) include cases where the trustees have, or any other person has, any discretion over one or more of the following matters—
 - (a) whether, or the extent to which, the income is to be accumulated,
 - (b) the persons to whom the income is to be paid, and
 - (c) how much of the income is to be paid to any person.
- (3) Income is excluded for the purposes of subsection (1) so far as—
 - (a) before being distributed, it is the income of any person other than the trustees,
 - (b) it is income from property within subsection (4), or
 - (c) it is income from service charges [^{F1}which are paid in respect of dwellings in the United Kingdom and are held on trust.]
- (4) Property is within this subsection if it—
 - (a) is held for the purposes of a superannuation fund to which section 615(3) of ICTA (superannuation funds relating to undertakings outside the UK) applies, but

*Changes to legislation: There are currently no known outstanding effects
for the Income Tax Act 2007, Section 480. (See end of Document for details)*

(b) is not held as a member of a property investment LLP.

[^{F2}(5) In subsection (3)(c) “service charges” has the meaning given by section 18 of the Landlord and Tenant Act 1985 (but as if that section also applied in relation to dwellings in Scotland and Northern Ireland).]

Textual Amendments

- F1** Words in s. 480(3)(c) substituted (with effect in accordance with s. 65(4) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 65\(2\)](#)
- F2** S. 480(5) substituted for s. 480(5)(6) (with effect in accordance with s. 65(4) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 65\(3\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Section 480.