



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 9

#### SPECIAL RULES ABOUT SETTLEMENTS AND TRUSTEES

### CHAPTER 4

#### TRUSTEES' EXPENSES AND SPECIAL RATES FOR TRUSTEES

#### **484 Trustees' expenses to be set against trustees' trust rate income**

- (1) This section applies if the trustees of a settlement incur allowable expenses in a tax year ("the current tax year").
- (2) The allowable expenses are to be set against the trustees' trust rate income for the current tax year in accordance with section 486.
- (3) That is to be done before working out whether section 491 applies in relation to the trustees for the current tax year.
- (4) So far as any of the trustees' trust rate income has an amount set against it in accordance with section 486, income tax is charged on it at the rate or rates which would apply apart from Chapter 3 (see Chapter 2 of Part 2).
- (5) Expenses are allowable for the purposes of this Chapter only so far as—
  - (a) they are expenses of the trustees, and
  - (b) they are properly chargeable to income, ignoring the express terms of the settlement.
- (6) Expenses are not allowable for the purposes of this Chapter if they are expenses which (apart from this section) have fallen, or may fall, to be taken into account for the purpose of calculating the trustees' liability to income tax for any tax year.