



Income Tax Act 2007

2007 CHAPTER 3

PART 11

MANUFACTURED PAYMENTS AND REPOS

CHAPTER 2

MANUFACTURED PAYMENTS

Manufactured dividends on UK shares

574 Allowable deductions^{F1} ...

- (1) This section applies if a person who pays a manufactured dividend as mentioned in section 573(1) is UK resident and is not a company.
- (2) An amount equal to the lesser of—
 - (a) the amount of the manufactured dividend, and
 - (b) the amount of the dividend of which the manufactured dividend is representative,

is allowable [^{F2}for income tax purposes as a deduction in calculating the net income of the payer (see Step 2 of the calculation in section 23). This is subject to subsection (3).]

[^{F3}(3) It is—

- (a) deductible by virtue of subsection (2) only so far as it is not otherwise deductible and so far as section 263D of TCGA 1992 does not apply, and
- (b) not deductible (whether by virtue of subsection (2) or otherwise) if it (or any part of it) is made directly or indirectly in consequence of, or otherwise in connection with, avoidance arrangements.]

- (10) For the purposes of subsection (3)(a) an amount is [^{F4}otherwise deductible if, apart from this section,] it is—

Status: Point in time view as at 21/07/2008. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 574. (See end of Document for details)

- (a) deductible in calculating any of the payer's profits or gains for income tax purposes, or
- (b) deductible for those purposes in calculating the net income of the payer.

Textual Amendments

- F1** Word in s. 574 heading omitted (21.7.2008 with effect in accordance with s. 63(2) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 23 para. 4\(5\)](#)
- F2** Words in s. 574(2) substituted (21.7.2008 with effect in accordance with s. 63(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 23 para. 4\(2\)](#)
- F3** S. 574(3) substituted (21.7.2008 with effect in accordance with s. 63(2) of the amending Act) for s. 574(3)-(9) by [Finance Act 2008 \(c. 9\)](#), [Sch. 23 para. 4\(3\)](#)
- F4** Words in s. 574(10) substituted (21.7.2008 with effect in accordance with s. 63(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 23 para. 4\(4\)](#)

Status:

Point in time view as at 21/07/2008. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Section 574.