



Income Tax Act 2007

2007 CHAPTER 3

PART 14

INCOME TAX LIABILITY: MISCELLANEOUS RULES

[^{F1}CHAPTER A1

REMITTANCE BASIS

Remittance of income and gains: transfers from mixed funds

[^{F1}809Q Sections 809L and 809P: transfers from mixed funds

- (1) This section applies for the purposes mentioned in subsection (2) where condition A in section 809L is met and—
- the property or consideration for the service is (wholly or in part), or derives (wholly or in part, and directly or indirectly) from, a transfer from a mixed fund, or
 - a transfer from a mixed fund, or anything deriving (wholly or in part, and directly or indirectly) from such a transfer, is used as mentioned in section 809L(3)(c).

[But this section must be read subject to section 809RA.]
^{F2}(1A)

- (2) The purposes referred to in subsection (1) are—
- determining whether condition B in section 809L is met, and
 - if it is met, determining (under section 809P) the amount of income or chargeable gains remitted.
- (3) The extent to which the transfer is of the individual's income or chargeable gains is to be determined as follows.

Status: Point in time view as at 17/07/2013. This version of this provision has been superseded.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 809Q. (See end of Document for details)

Step 1

For each of the categories of income and capital in paragraphs (a) to (i) of subsection (4), find (applying section 809R) the amount of income or capital of the individual for the relevant tax year in the mixed fund immediately before the transfer.

“The relevant tax year” is the tax year in which the transfer occurs.

Step 2

Find the earliest paragraph for which the amount determined under step 1 is not nil.

If that amount does not exceed the amount of the transfer, treat the transfer as containing the income or capital within that paragraph (and for that tax year).

Otherwise, treat the transfer as containing the relevant proportion of each kind of income or capital within that paragraph (and for that tax year).

“The relevant proportion” is the amount of the transfer divided by the amount determined under step 1 for that paragraph.

Step 3

Treat the amount of the transfer as reduced by the amount taken into account under step 2.

Step 4

If the amount of the transfer (as reduced under step 3) is not nil, start again at step 2.

In step 2, read the reference to the earliest paragraph of the kind mentioned there as a reference to the earliest such paragraph which has not previously been taken into account under that step in relation to the transfer.

Step 5

If the amount of the transfer (as reduced under step 3) is not nil once steps 2 and 3 have been undertaken in relation to all paragraphs of subsection (4) for which the amount determined under step 1 is not nil, start again at step 1.

In step 1, read the reference to the relevant tax year as a reference to the tax year immediately before the last tax year for which step 1 has been undertaken in relation to the transfer.

- (4) The kinds of income and capital are—
- (a) employment income (other than income within paragraph (b), (c) or (f)),
 - (b) relevant foreign earnings (other than income within paragraph (f)),
 - (c) foreign specific employment income (other than income within paragraph (f)),
 - (d) relevant foreign income (other than income within paragraph (g)),
 - (e) foreign chargeable gains (other than chargeable gains within paragraph (h)),
 - (f) employment income subject to a foreign tax,
 - (g) relevant foreign income subject to a foreign tax,
 - (h) foreign chargeable gains subject to a foreign tax, and
 - (i) income or capital not within another paragraph of this subsection.

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- (5) In subsection (4) “foreign tax” means any tax chargeable under the law of a territory outside the United Kingdom.
- (6) In this section “mixed fund” means money or other property which, immediately before the transfer, contains or derives from—
- (a) more than one of the kinds of income and capital mentioned in subsection (4), or
 - (b) income or capital for more than one tax year.
- (7) References in this section to the amount of the transfer include the market value of it.
- (8) References in this section and section 809R to anything deriving from income or capital within paragraph (i) of subsection (4) do not include—
- (a) income or gains within any of paragraphs (a) to (h) of that subsection, or
 - (b) anything deriving from such income or gains.]

Textual Amendments

- F1** Pt. 14 Ch. A1 inserted (21.7.2008 with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 1](#) (with [Sch. 7 paras. 85-89](#))
- F2** S. 809Q(1A) inserted (with effect in accordance with Sch. 6 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 6 para. 5](#)

Status:

Point in time view as at 17/07/2013. 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 809Q.