



Income Tax Act 2007

2007 CHAPTER 3

PART 13

TAX AVOIDANCE

[^{F1}CHAPTER 8

TAINTED CHARITY DONATIONS

Removal of reliefs and imposition of charge to tax

[^{F1}809ZO] **Income tax charge where payment of trust income to charity**

- (1) Income tax is charged under this section if—
 - (a) a person makes a tainted donation in a tax year,
 - (b) the tainted donation or an associated donation is a payment by the trustees of a settlement of income arising under the settlement (“the trust donation”), and
 - (c) the charity to which the trust donation is made is entitled to claim a repayment of tax in respect of that donation.
- (2) The amount of the tax charged under this section is equal to the amount of the repayment of tax which the charity is entitled to claim in respect of the trust donation (whether or not such a claim is made).
- (3) Each of the persons mentioned in subsection (4) is liable for any tax charged under this section, and the liability of those persons is joint and several.
- (4) The persons are—
 - (a) the trustees of the settlement who made the trust donation,
 - (b) if different, the donor in respect of the tainted donation,
 - (c) if section 628 or 630 of ITTOIA 2005 (gifts from settlor-interested trusts etc) applies in relation to the income out of which the trust donation is made, the settlor in relation to the settlement,

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Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Section 809ZO. (See end of Document for details)

- (d) each potentially advantaged person under the relevant arrangements relating to the tainted donation,
 - (e) any beneficiary of the settlement who is party to those arrangements, and
 - (f) any charity to which the trust donation or (if different) the tainted donation is made, or any connected charity, which falls within subsection (5).
- (5) A charity falls within this subsection if—
- (a) the charity is or was party to the relevant arrangements relating to the tainted donation, and
 - (b) the charity was aware, at the time it entered into those arrangements, that a linked person was entering (or had entered or was likely to enter) into the arrangements in circumstances falling within Condition B in section 809ZJ.
- (6) No liability to income tax arises under this section in respect of a repayment of tax if that repayment is itself repaid to the Commissioners for Her Majesty's Revenue and Customs under any other provision of the Tax Acts.
- (7) In this section—
- “associated donation” has the same meaning as in section 809ZM;
 - “linked person” has the same meaning as in section 809ZJ;
 - “the relevant arrangements” has the same meaning as in section 809ZM;
 - “settlement” and “settlor” have the same meaning as in Chapter 5 of Part 5 of ITTOIA 2005 (see section 620 of that Act).]

Textual Amendments

- F1** Pt. 13 Ch. 8 inserted (19.7.2011) (with effect in accordance with Sch. 3 para. 27 28 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 3 para. 1](#)

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