



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 15

#### DEDUCTION OF INCOME TAX AT SOURCE

### CHAPTER 3

#### DEDUCTION FROM CERTAIN PAYMENTS OF YEARLY INTEREST

##### *Exceptions from duty to deduct*

#### **887 Industrial and provident society payments**

- (1) The duty to deduct a sum representing income tax under section 874 does not apply to either of the following payments if they are payable to a person whose usual place of abode is in the United Kingdom—
  - (a) a payment of interest made by a registered industrial and provident society in respect of any mortgage, loan, loan stock or deposit, or
  - (b) any interest, dividend, bonus or other sum payable to a shareholder of such a society by reference to the amount of the shareholder's holding in the share capital of the society.
- (2) A registered industrial and provident society must, within 3 months after the end of each of its accounting periods, deliver to an officer of Revenue and Customs a return containing the information mentioned in subsection (3).
- (3) That information is—
  - (a) the name and place of residence of every person to whom the society has, as a result of this section, made one or more payments in the period amounting in total to at least £15 without deducting a sum (or sums) representing income tax, and
  - (b) the amount so paid in the period to each of those persons.

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*Status: This is the original version (as it was originally enacted).*

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- (4) See section 486(7) of ICTA as to the consequences of not making a return as required by subsection (2).
- (5) In this Chapter “registered industrial and provident society” means a society registered or treated as registered under the Industrial and Provident Societies Act 1965 (c. 12) or the Industrial and Provident Societies Act (Northern Ireland) 1969 (c. 24 (N.I.)).
- (6) For the purposes of this section crediting interest (or amounts treated as interest) counts as paying it.