



Income Tax Act 2007

2007 CHAPTER 3

PART 15

DEDUCTION OF INCOME TAX AT SOURCE

CHAPTER 6

DEDUCTION FROM ANNUAL PAYMENTS AND PATENT ROYALTIES

Supplementary

904 Annual payments for dividends or non-taxable consideration

- (1) For the purposes of section 899(5)(f) and 903(2)(b) this section applies to an annual payment which meets the conditions in subsections (2) to (7).
- (2) The payment must be a payment charged to—
 - (a) income tax under Part 5 of ITTOIA 2005 [^{F1}otherwise than as relevant foreign income], or
 - (b) corporation tax under Case III of Schedule D.
- (3) The payment must be made under a liability incurred for consideration in money or money's worth all or any of which—
 - (a) consists of a dividend or the right to receive a dividend, or
 - (b) is not required to be brought into account in calculating for the purposes of income tax or corporation tax the income of the person making the payment.
- (4) The payment must not be a payment of income—
 - (a) which arises under a settlement made by one party to a marriage or civil partnership by way of provision for the other—
 - (i) after the dissolution or annulment of the marriage or civil partnership,
 - or

Status: Point in time view as at 03/02/2009. This version of this provision has been superseded.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 904. (See end of Document for details)

- (ii) while they are separated under an order of a court, or under a separation agreement, or if the separation is likely to be permanent, and
 - (b) which is payable to, or applicable for the benefit of, the other party.
- (5) The payment must not be made by an individual for genuine commercial reasons in connection with the individual's trade, profession or vocation.
- (6) The payment must not be made to an individual under a liability incurred at any time in consideration of the individual surrendering, assigning or releasing an interest in settled property to or in favour of a person with a subsequent interest.
- (7) The payment must not be a payment of an annuity granted in the ordinary course of a business of granting annuities.
- (8) In the application of this section to Scotland the reference in subsection (6) to settled property is to be read as a reference to property held in trust.

Textual Amendments

- F1** Words in s. 904(2)(a) inserted (with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) Order 2009 \(S.I. 2009/23\)](#), arts. 1(1), **5(4)**

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