



Taxation (International and Other Provisions) Act 2010

2010 CHAPTER 8

PART 3

DOUBLE TAXATION RELIEF FOR SPECIAL WITHHOLDING TAX

Credit etc for special withholding tax

138 Amount and application of the deemed tax under section 137

- (1) For the purposes of section 137, the amount of the deemed tax is—
 - (a) the amount of the special withholding tax levied (see section 137(3)), less
 - (b) any amounts of that tax that are within subsection (2).
- (2) An amount of special withholding tax levied is within this subsection if—
 - (a) the person has obtained relief from double taxation in respect of that special withholding tax under the law of a territory outside the United Kingdom, and
 - (b) the person was resident in that territory, or was under any double taxation arrangements treated as being resident in that territory, in the tax year mentioned in section 137(2).
- (3) Subsection (4) applies if the amount of the deemed tax exceeds the amount (which may be nil) of income tax for which the person is liable for that tax year (before any set-off for the deemed tax).
- (4) So far as it would not otherwise be the case—
 - (a) the excess is to be set against any capital gains tax for which the person is liable for that tax year, and
 - (b) the person is entitled to a repayment of income tax in respect of any remaining balance of the excess.