

## SCHEDULES

### SCHEDULE 27

#### COMMUNITY INVESTMENT TAX RELIEF

##### *Income tax: carry forward of relief*

5 (1) Section 361 (disposal of securities or shares during 5 year period) is amended as follows.

(2) For subsection (3) substitute—

“(3) Subsections (3A) to (3H) apply if—

- (a) the disposal is a qualifying disposal, and
- (b) the investor has made a claim under section 335 in respect of the former investment for a tax year (“tax year X”).

(3A) Subsection (3B) applies if the total of the following CITR does not exceed A—

- (a) any CITR attributable to the former investment in respect of tax year X given under section 335, and
- (b) any CITR attributable to the former investment in respect of later tax years given under section 335A where tax year X is the tax year mentioned in section 335A(1)(a).

(3B) All CITR falling within subsection (3A)(a) or (b) must be withdrawn.

(3C) If the total of the CITR falling within subsection (3A)(a) or (b) exceeds A, that total must be reduced by A.

(3D) For the purposes of subsection (3C) CITR given in a later tax year must be reduced before CITR given in an earlier tax year.

(3E) For the purposes of subsections (3A) and (3C) “A” is an amount equal to 5% of the amount or value of the consideration (if any) which the investor receives for the former investment.

(3F) If—

- (a) the total of the CITR falling within subsection (3A)(a) or (b) (“B”) is less than
- (b) the amount (“C”) which is equal to 5% of the invested amount in respect of the former investment for tax year X,

“A” is to be reduced by multiplying it by the fraction—

$$\frac{B}{C}$$

(3G) If the amount of CITR attributable to the former investment in respect of a tax year has been reduced before the CITR is obtained, the amount referred

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*Status: This is the original version (as it was originally enacted).*

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to in subsection (3F) as B is to be treated for the purposes of that subsection as the amount it would have been without the reduction.

(3H) Subsection (3G) does not apply to a reduction by virtue of section 358 (attribution: bonus shares).”

(3) Omit subsections (5) to (7).