
STATUTORY INSTRUMENTS

1996 No. 783

INCOME TAX

**The Double Taxation Relief (Taxes on Income)
(General) (Amendment) Regulations 1996**

Made - - - - *13th March 1996*
Coming into force - - *6th April 1996*

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 791 of the Income and Corporation Taxes Act 1988(1), hereby make the following Regulations:

1. These Regulations may be cited as the Double Taxation Relief (Taxes on Income) (General) (Amendment) Regulations 1996 and shall come into force on 6th April 1996.

2. In regulations 2(2)(c), 3 and 4(2) of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970(2) for the word “standard”(3) in each place where it occurs there shall be substituted “lower or basic”.

13th March 1996

S C T Matheson
G H Bush
Two of the Commissioners of Inland Revenue

(1) 1988 c. 1.

(2) S.I. 1970/488.

(3) By virtue of paragraph 4 of Schedule 7 to the Finance Act 1971 (c. 68), any reference in S.I. 1970/488 to the standard rate of income tax has effect for the year 1973-74 and subsequent years of assessment as if it was a reference to the basic rate.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (S.I.1970/488) (“the principal Regulations”).

The principal Regulations make provision governing the way in which relief from United Kingdom tax due on certain payments of interest or royalties to non-residents by virtue of a double taxation agreement may be given at source.

Regulation 2 of the principal Regulations provides for a notice to be given by or on behalf of the Board of Inland Revenue to the maker of the payment directing him not to deduct tax on making the payment, or to deduct tax at the rate specified in the notice and not at the standard rate otherwise appropriate.

Regulation 3 of the principal Regulations provides that, where a notice is issued under regulation 2 directing the payer to deduct tax at a rate other than the standard rate, the provisions of the Income Tax Acts under which the payer would, but for the notice, have been liable to account for all or any part of the tax deducted at the standard rate shall apply as if those Acts had required deduction of tax at the rate specified in the notice. Regulation 4 of the principal Regulations provides that where, but for a notice under regulation 2, the payer would have been entitled to retain income tax deductible on making the payment, an allowance equal to the amount of tax he would have been entitled to retain shall be made to him against income tax otherwise payable by him for the year concerned.

For the year 1973-74 and subsequent years of assessment references in the principal Regulations to the standard rate of income tax have effect as if they were references to the basic rate.

These Regulations substitute with effect from 6th April 1996 references to the lower or basic rate of income tax for references in regulations 2 to 4 of the principal Regulations to the standard rate.