



Income Tax Act 2007

2007 CHAPTER 3

PART 1

OVERVIEW

1 Overview of Income Tax Acts

- (1) The following Acts make provision about income tax—
- (a) ITEPA 2003 (which is about charges to tax on employment income, pension income and social security income [^{F1}and makes provision for the high income child benefit charge]),
 - (b) ITTOIA 2005 (which is about charges to tax on trading income, property income, savings and investment income and some other miscellaneous income), and
 - (c) this Act (which contains the other main provisions about income tax).
- (2) There are also provisions about income tax elsewhere: see in particular—
- (a) [^{F2}Part 2 of TIOPA 2010] (double taxation relief),
 - (b) CAA 2001 (allowances for capital expenditure), and
 - (c) Part 4 of FA 2004 (pension schemes etc).
- (3) Schedule 1 to the Interpretation Act 1978 (c. 30) defines “the Income Tax Acts” (as all enactments relating to income tax).

Textual Amendments

- F1** Words in s. 1(1)(a) inserted (17.7.2012) (with effect in accordance with Sch. 1 para. 7 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 1 para. 6\(2\)](#)
- F2** Words in s. 1(2)(a) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 72](#) (with Sch. 9 paras. 1-9, 22)

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2 Overview of Act

- (1) This Act has 17 Parts.
- (2) Part 2 contains basic provisions about income tax including—
 - (a) provision about the annual nature of income tax (Chapter 1),
 - (b) the rates at which income tax is charged (Chapter 2), and
 - (c) the calculation of income tax liability (Chapter 3).
- (3) Part 3 is about taxpayers' personal reliefs including—
 - (a) personal allowances (Chapter 2),
 - (b) blind persons' allowances (Chapter 2), and
 - (c) tax reductions for married couples and civil partners (Chapter 3).
- (4) Part 4 is about loss relief including relief for—
 - (a) trade losses (Chapters 2 and 3),
 - (b) losses from property businesses (Chapter 4),
 - (c) losses in an employment or office (Chapter 5),
 - (d) losses on disposal of shares (Chapter 6), and
 - (e) losses from miscellaneous transactions (Chapter 7).
- (5) Part 5 is about relief under the enterprise investment scheme.

[^{F3}(5A) Part 5A is about relief under the seed enterprise investment scheme.]

[^{F4}(5B) Part 5B is about relief for social investments.]

- (6) Part 6 is about—
 - (a) relief for investment in venture capital trusts, and
 - (b) other matters relating to venture capital trusts.
- (7) Part 7 is about community investment tax relief.
- (8) Part 8 is about a variety of reliefs including relief for—
 - (a) interest payments (Chapter 1),
 - (b) gifts to charity including gift aid (Chapters 2 and 3),
 - (c) annual payments ^{F5}... (Chapter 4), and
 - (d) maintenance payments (Chapter 5).
- (9) Part 9 contains special rules about settlements and trustees including—
 - (a) general provision about settlements and trustees (Chapter 2),
 - (b) special income tax rates for trusts (Chapters 3, 4, 5 and 6),
 - (c) rules about trustees' expenses (Chapters 4 and 8),
 - (d) rules about trustees' discretionary payments (Chapter 7),
 - (e) ^{F6}... and
 - (f) rules about heritage maintenance settlements (Chapter 10).

[^{F7}(9A) Part 9A is about the treatment of certain transactions in UK land.]

- (10) Part 10 contains special rules about charitable trusts etc.

[^{F8}(10A) Part 10A is about alternative finance arrangements.]

^{F9}(11)

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[^{F10}(11ZA) Part 11ZA is about manufactured payments.]

[^{F11}(11A) Part 11A is about leasing arrangements involving finance leases or loans.]

(12) Part 12 is about accrued income profits.

[^{F12}(12A) Part 12A is about sale and lease-back etc.]

(13) Part 13 is about tax avoidance in relation to—

- (a) transactions in securities (Chapter 1),
- (b) transfers of assets abroad (Chapter 2),
- ^{F13}(c)
- (d) sales of occupation income (Chapter 4), ^{F14}...
- (e) trade losses (Chapter 5) ^{F15}...
- [^{F16}(f) transfers of income streams (Chapter 5A).]
- [^{F17}(g) finance arrangements (Chapter 5B),
- (h) loan or credit transactions (Chapter 5C),]
- [^{F18}(ha) disposals of assets through partnerships (Chapter 5D),]
- [^{F19}(hb) disguised investment management fees (Chapter 5E),]
- [^{F20}(hc) income-based carried interest (Chapter 5F),]
- [^{F21}(i) leases of plant and machinery (Chapter 6), and
- (j) tax relief for interest (Chapter 7).]

(14) Part 14 deals with some miscellaneous rules about income tax liability, including—

- [^{F22}(za) an alternative basis for charge (the remittance basis) for certain income and gains of certain individuals (Chapter A1),]
- (a) limits on liability to income tax for non-UK residents (Chapter 1),
- [^{F23}(aa) exemption for persons not domiciled in United Kingdom (Chapter 1A),]
- (b) special rules about residence [^{F24}and domicile (Chapters 2 and 2A)], ^{F25}...
- [^{F26}(ba) rules about UK representatives of non-UK residents (Chapters 2B and 2C),]
- (c) rules about jointly held property (Chapter 3)[^{F27}, and
- (d) imposition of the charge to income tax on the receipts of certain types of company being wound up (Chapter 3A).]

(15) Part 15 is about the deduction of income tax at source.

(16) Part 16 contains definitions which apply for the purposes of the Income Tax Acts and other general provisions which apply for the purposes of those Acts.

(17) Part 17—

- (a) contains provisions to be used in interpreting this Act,
- (b) introduces Schedule 1 (minor and consequential amendments),
- (c) introduces Schedule 2 (transitional provisions and savings),
- (d) introduces Schedule 3 (repeals and revocations, including of spent enactments),
- (e) introduces Schedule 4 (index of defined expressions that apply for the purposes of this Act),
- (f) confers powers on the Treasury to make orders, and
- (g) makes provision about the coming into force of this Act.

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Textual Amendments

- F3** S. 2(5A) inserted (17.7.2012) (with effect in accordance with Sch. 6 para. 24(1) of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 6 para. 7](#)
- F4** S. 2(5B) inserted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 11 para. 4](#)
- F5** Words in s. 2(8)(c) omitted (with effect in accordance with s. 15(5) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [s. 15\(4\)\(a\)](#)
- F6** S. 2(9)(e) omitted (6.4.2014) by virtue of [The Unauthorised Unit Trusts \(Tax\) Regulations 2013 \(S.I. 2013/2819\)](#), regs. 1(3), [37\(2\)](#) (with reg. 32)
- F7** S. 2(9A) inserted (with effect in accordance with s. 82 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 79\(2\)\(a\)](#) (and also with effect in accordance with [Finance \(No. 2\) Act 2017 \(c. 32\)](#), s. 39(1)(2))
- F8** S. 2(10A) inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 220](#) (with Sch. 9 paras. 1-9, 22)
- F9** S. 2(11) omitted (1.1.2014) by virtue of [Finance Act 2013 \(c. 29\)](#), Sch. 1 para. 52, [Sch. 29 para. 17\(a\)](#)
- F10** S. 2(11ZA) inserted (1.1.2014) by [Finance Act 2013 \(c. 29\)](#), Sch. 1 para. 52, [Sch. 29 para. 17\(b\)](#)
- F11** S. 2(11A) inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 238](#) (with Sch. 9 paras. 1-9, 22)
- F12** S. 2(12A) inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 257](#) (with Sch. 9 paras. 1-9, 22)
- F13** S. 2(13)(c) omitted (with effect in accordance with s. 82 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [s. 79\(2\)\(b\)](#) (and also with effect in accordance with [Finance \(No. 2\) Act 2017 \(c. 32\)](#), s. 39(1)(2))
- F14** Word in s. 2(13)(d) omitted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 25 para. 9\(5\)](#)
- F15** Word in s. 2(13)(e) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), Sch. 8 para. 272, [Sch. 10 Pt. 10](#) (with Sch. 9 paras. 1-9, 22)
- F16** S. 2(13)(f) and word inserted (with effect in accordance with Sch. 25 para. 10 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 25 para. 9\(5\)](#)
- F17** S. 2(13)(g)(h) inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 8 para. 272](#) (with Sch. 9 paras. 1-9, 22)
- F18** S. 2(13)(ha) inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), [s. 21\(2\)\(a\)](#)
- F19** S. 2(13)(hb) inserted (with effect in accordance with s. 21(4) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [s. 21\(2\)\(b\)](#)
- F20** S. 2(13)(hc) inserted (with effect in accordance with s. 37(4) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 37\(3\)](#)
- F21** S. 2(13)(i)(j) inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 7 para. 51](#) (with Sch. 9 paras. 1-9, 22)
- F22** S. 2(14)(za) inserted (21.7.2008 with effect in accordance with Sch. 7 para. 81 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 75](#)
- F23** S. 2(14)(aa) inserted (with effect in accordance with s. 52(3) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [s. 52\(2\)](#)
- F24** Words in s. 2(14)(b) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 7 para. 76](#) (with Sch. 9 paras. 1-9, 22)

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- F25** Word in s. 2(14) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 281\(a\), Sch. 10 Pt. 11](#) (with [Sch. 9 paras. 1-9, 22](#))
- F26** S. 2(14)(ba) inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 281\(b\)](#) (with [Sch. 9 paras. 1-9, 22](#))
- F27** S. 2(14)(d) and preceding word inserted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 7 para. 69](#) (with [Sch. 9 paras. 1-9, 22](#))

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)