



# Income Tax Act 2007

## 2007 CHAPTER 3

### PART 8

#### OTHER RELIEFS

#### CHAPTER 2

#### GIFT AID

#### *Restrictions on associated benefits*

#### **418 Restrictions on associated benefits**

- (1) For the purposes of section 416(7), the restrictions on benefits associated with a gift are breached if condition A or B is met.
- (2) Condition A is that the total value of the benefits associated with the gift exceeds the variable limit, which is—
  - [<sup>F1</sup>(a) in a case where the amount of the gift is £100 or less, 25% of that amount, and
  - (b) in a case where the amount of the gift exceeds £100, the sum of £25 and 5% of the amount of the excess.]
- (3) Condition B is that the sum of—
  - (a) the total value of the benefits associated with the gift, and
  - (b) the total value of the benefits (if any) associated with each relevant prior gift, is more than [<sup>F2</sup>£2,500].
- (4) “Relevant prior gift” means a gift—
  - (a) which has already been made by the individual to the charity in the tax year, and
  - (b) which is a qualifying donation.
- (5) This section needs to be read with sections 419 to 421.

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### Textual Amendments

- F1** S. 418(2)(a)(b) substituted for s. 418(2)(a)-(c) (with effect in accordance with s. 40(2) of the amending Act) by [Finance Act 2019 \(c. 1\), s. 40\(1\)](#)
- F2** Sum in s. 418(3) substituted (19.7.2011) (with effect in accordance with s. 41(4) of the amending Act) by [Finance Act 2011 \(c. 11\), s. 41\(1\)](#)

## 419 Gifts and benefits linked to periods of less than 12 months

- (1) This section modifies the application of section 418(2) in relation to a gift if condition A, B, C or D is met.
- (2) Condition A is that a benefit associated with the gift relates to a period of less than 12 months.
- (3) Condition B is that a benefit associated with the gift consists of a right to receive benefits at intervals over a period of less than 12 months.
- (4) Condition C is that a benefit associated with the gift is one of a series of benefits which are—
  - (a) received at intervals, and
  - (b) associated with a series of gifts made at intervals of less than 12 months.
- (5) Condition D is that—
  - (a) a benefit associated with the gift is not one of a series of benefits received at intervals, and
  - (b) the gift is one of a series of gifts made at intervals of less than 12 months.
- (6) If condition A, B or C is met, then for the purposes of section 418(2)—
  - (a) the value of the benefit is taken to be the annual equivalent of its actual value, and
  - (b) the amount of the gift is taken to be the annual equivalent of its actual amount.
- (7) If condition D is met, the amount of the gift is taken for the purposes of section 418(2) to be the annual equivalent of its actual amount.
- (8) The annual equivalent of the value of a benefit, or of the amount of a gift, is calculated as follows.

### *Step 1*

Multiply the value or amount by 365.

### *Step 2*

If condition A or B is met in relation to the benefit (and neither condition C nor condition D is met in relation to it), divide the result by the number of days in the period of less than 12 months referred to in subsection (2) or (as the case may be) subsection (3).

If condition C or D is met in relation to the benefit, divide the result by the average number of days in the intervals of less than 12 months referred to in subsection (4)(b) or (as the case may be) subsection (5)(b).

**Changes to legislation:**

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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.)