



# Income and Corporation Taxes Act 1970

## 1970 CHAPTER 10

### PART I

#### CHARGE OF INCOME TAX, AND GENERAL PROVISIONS RELATING ONLY TO INCOME TAX

### CHAPTER II

#### PERSONAL RELIEFS

##### *Supplemental*

#### **23 Meaning of " relative "**

In this Chapter " relative " includes any person of whom the person claiming a relief had the custody and whom he maintained at his own expense while that person was under the age of sixteen years.

#### **24 Reduction in reliefs on account of family allowances**

- (1) Where for any year of assessment an individual is assessable to income tax in respect of payments on account of an allowance or allowances under the Family Allowances Act 1965 or the Family Allowances Act (Northern Ireland) 1966, the total deductions from tax to which, apart from this section, the individual (or, if the individual is a wife assessable in respect of the payments by virtue of an application for separate assessment under section 38(1) below, she and her husband together) would be entitled for the year under sections 8 and 10 to 19 above shall be reduced, for each allowance if more than one, by an amount equal to income tax at the standard rate on £42 or, if the payments in question are payments for a part only of the year, by a proportionate part of that amount.
- (2) The allowances referred to in subsection (1) above shall be treated as including any allowance payable to an individual in the service of the Crown in lieu of an allowance under either of the enactments there specified.

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- (3) The said subsection (1) shall not apply in the case of any payments if the individual assessable in respect thereof is entitled in the year—
- (a) to a widow's allowance, widowed mother's allowance, retirement pension or child's special allowance under the National Insurance Act 1965 or the National Insurance Act (Northern Ireland) 1966, or
  - (b) to an allowance under section 21 of the National Insurance (Industrial Injuries) Act 1965 or section 21 of the National Insurance (Industrial Injuries) Act (Northern Ireland) 1966 (allowances in respect of children of deceased), or
  - (c) to an allowance granted by the Secretary of State for Social Services under a Royal Warrant, Order in Council or order administered by him to widows of members of the armed forces.
- (4) The said subsection (1) shall not affect the construction of any reference in the Income Tax Acts to the deduction allowable under any particular provision of those referred to in that subsection.

## **25 No relief to be given in respect of charges on income**

A claimant shall not be entitled to relief under sections 5 to 19 and 22 of this Chapter in respect of any income the income tax on which he is entitled to charge against any other person, or to deduct, retain or satisfy out of any payment which he is liable to make to any other person.

## **26 Partners**

The following persons having joint interests, that is to say—

- (a) coparceners, joint tenants, or tenants in common of the profits of any property, and
- (b) joint tenants, or tenants of land or tenements in partnership, being in the actual and joint occupation thereof in partnership, who are entitled to the profits thereof in shares, and
- (c) partners carrying on a trade, profession or vocation together who are entitled to the profits thereof in shares,

may claim any relief under sections 5 to 19 and 22 of this Chapter according to their respective shares and interests, and any such claims which are proved may be dealt with in the same manner as in the case of several interests:

Provided that the income of a partner from a partnership carrying on any trade, profession or vocation shall be deemed to be the share to which he is entitled during the year to which the claim relates in the partnership profits, such profits being estimated according to the provisions of the Income Tax Acts.

## **27 Non-residents**

- (1) Subject to the provisions of this section, no relief under this Chapter shall be given in the case of any individual who is not resident in the United Kingdom.
- (2) Subsection (1) above shall not apply in the case of any individual who satisfies the Board that he or she—
- (a) is a British subject or a citizen of the Republic of Ireland, or

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- (b) is a person who is or has been employed in the service of the Crown, or who is employed in the service of any missionary society or in the service of any territory under Her Majesty's protection, or
- (c) is resident in the Isle of Man or the Channel Islands, or
- (d) has previously resided within the United Kingdom, and is resident abroad for the sake of his or her health, or the health of a member of his or her family resident with him or her, or
- (e) is a widow whose late husband was in the service of the Crown:

Provided that no such relief as aforesaid shall be given so as to reduce the amount of the income tax other than surtax payable by that individual below the amount which results from applying the fraction

$$\frac{A}{B}$$

to the amount which would be payable by him by way of income tax other than surtax if the tax were chargeable on his total income from all sources (including income which is not subject to income tax charged in the United Kingdom), where—

A is the amount of his income subject to income tax charged in the United Kingdom, and

B is the amount of his total income.

- (3) For the purposes of the proviso to subsection (2) above as it applies to an individual whose income includes income eligible for double taxation relief—
  - (a) in computing the amount of the income tax payable by the individual, the tax chargeable in respect of the income eligible for double taxation relief shall be disregarded,
  - (b) in computing the amount of his income subject to income tax charged in the United Kingdom, the income eligible for double taxation relief shall be disregarded, and
  - (c) in computing his total income from all sources, including income which is not subject to income tax charged in the United Kingdom, income eligible for double taxation relief shall be included, and the income tax which would be chargeable on that total income shall be computed without regard to the double taxation relief available in respect of the income eligible for double taxation relief,

and accordingly, where this subsection applies, the amount of the tax chargeable in respect of the income eligible for double taxation relief shall not be affected by subsection (2) above:

Provided that this subsection shall not operate so as to make the tax payable by an individual for a year of assessment higher than it would have been if the double taxation relief had not been available.

- (4) In subsection (3) above "income eligible for double taxation relief" means any dividends, interest, royalties or other profits which are chargeable to income tax but in respect of which relief (other than credit) is available under an Order in Council under section 497 of this Act (double taxation agreements), or under section 31 of the Finance Act 1966 (transitory provisions for company dividends paid to non-residents), so as to limit the rate of income tax so chargeable (but not so as to confer an exemption and make it income which is not subject to income tax charged in the United Kingdom).

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- (5) Any claim which an individual is entitled to make by virtue of subsection (2) above shall be made to the Board.