



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART XIII

SPECIAL EXEMPTIONS

Armed forces and Victoria Cross and other awards

365 Wounds and disability pensions

- (1) Income from wounds and disability pensions to which this subsection applies shall be exempt from income tax and shall not be reckoned in computing income for any of the purposes of the Income Tax Acts.
- (2) Subsection (1) above applies to—
 - (a) wounds pensions granted to members of the naval, military or air forces of the Crown,
 - (b) retired pay of disabled officers granted on account of medical unfitness attributable to or aggravated by naval, military or air-force service,
 - (c) disablement or disability pensions granted to members, other than commissioned officers, of the naval, military or air forces of the Crown on account of medical unfitness attributable to or aggravated by naval, military or air-force service,
 - (d) disablement pensions granted to persons who have been employed in the nursing services of any of the naval, military or air forces of the Crown on account of medical unfitness attributable to or aggravated by naval, military or air-force service, and
 - (e) injury and disablement pensions payable under any scheme made under the Injuries in War (Compensation) Act 1914, the Injuries in War Compensation Act 1914 (Session 2), and the Injuries in War (Compensation) Act 1915, or under any War Risks Compensation Scheme for the Mercantile Marine:

Provided that, where the amount of any retired pay or pension to which subsection (1) above applies is not solely attributable to disablement or disability, the relief conferred

Status: This is the original version (as it was originally enacted).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

by the said subsection (1) shall extend only to such part as is certified by the Secretary of State for Social Services, after consultation with the appropriate Government Department, to be attributable to disablement or disability.

- (3) Allowances 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 naval, military or air forces of the Crown in respect of their children shall not be reckoned in computing the income of such widows for any of the purposes of the Income Tax Acts.

366 Allowances, bounties and gratuities

- (1) Where, under the scheme relating to men in the Armed Forces of the Crown announced on behalf of His Majesty's Government in the United Kingdom on 15th April 1946, or under any other scheme certified by the Treasury to make analogous provision for classes of persons to whom the first mentioned scheme does not apply, a person who has served in the armed forces of the Crown at any time during the continuance in force of the Emergency Powers (Defence) Act 1939 voluntarily undertakes to serve therein for a further period, any sum payable to him in pursuance of the scheme out of moneys provided by Parliament by way of gratuity at the end of his further period of service shall not be regarded as income for any income tax purposes.
- (2) Where, under the scheme relating to members of the Women's Royal Naval Service, the Auxiliary Territorial Service and the Women's Auxiliary Air Force announced on behalf of His Majesty's Government in the United Kingdom on 20th November 1946, or under any other scheme certified by the Treasury to make analogous provision for classes of persons to whom the first mentioned scheme does not apply, a woman who has served in or with the armed forces of the Crown at any time during the continuance in force of the Emergency Powers (Defence) Act 1939 voluntarily undertakes to serve in or with those forces for a further period, any sum payable to her in pursuance of the scheme out of moneys provided by Parliament by way of gratuity at the end of her further period of service shall not be regarded as income for any income tax purposes.
- (3) Any allowance payable out of the public revenue to or in respect of any class of persons, being either members of the armed forces of the Crown or women serving in any of the capacities mentioned at the end of this subsection, as respects which the Minister for the Civil Service certifies either—
- (a) that it is payable to the persons in question in lieu of food or drink normally supplied in kind to members of the armed forces or women serving in any of the capacities so mentioned, or
 - (b) that it is payable in respect of the persons in question as a contribution to the expenses of a mess,

shall not be regarded as income for any income tax purposes.

Women's Services

1. Member of Queen Alexandra's Royal Naval Nursing Service or any reserve thereof.
2. Member of the Women's Royal Naval Service or any reserve thereof.
3. Woman medical or dental practitioner serving in the Royal Navy or any naval reserve.
4. Member of Queen Alexandra's Royal Army Nursing Corps.
5. Member of Women's Royal Army Corps.

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

6. Woman employed with the Royal Army Medical Corps or the Royal Army Dental Corps with relative rank as an officer.
 7. Member of the Princess Mary's Royal Air Force Nursing Service and Reserve.
 8. Member of the Women's Royal Air Force.
 9. Woman officer of the Medical and Dental Branch of the Royal Air Force.
 10. Member of the Voluntary Aid Detachment Reserves employed under the Admiralty Board of the Defence Council.
- (4) The sums known as training expenses allowances payable out of the public revenue to members (whether men or women) of the reserve and auxiliary forces of the Crown, and the sums payable by way of bounty out of the public revenue to such members in consideration of their undertaking prescribed training and attaining a prescribed standard of efficiency, shall not be treated as income for any income tax purpose.
- (5) Any sum which, in pursuance of the scheme as to service emoluments contained in the Command Paper laid before Parliament in August 1950, becomes payable out of moneys provided by Parliament by way of bounty to a person who, having served in the armed forces of the Crown, voluntarily undertakes to serve for a further period shall not be regarded as income for any income tax purpose.

367 Visiting forces

- (1) The emoluments paid by the government of any designated country to a member of a visiting force of that country who is not a citizen of the United Kingdom and colonies shall be exempt from income tax.
- (2) A period during which a member of a visiting force to whom subsection (1) above applies is in the United Kingdom by reason solely of his being a member of that force shall not be treated for the purposes of income tax or capital gains tax either as a period of residence in the United Kingdom or as creating a change of his residence or domicile:

Provided that this subsection shall not affect the operation of section 27 of this Act (personal reliefs to be granted, subject to certain exceptions, to United Kingdom residents only) in relation to any person for any year of assessment.

- (3) In subsections (1) and (2) above, references to a visiting force shall apply to a civilian component of a visiting force as they apply to the force itself; and the said subsections shall be construed as one with Part I of the Visiting Forces Act 1952, but so that, for the purposes of this section, references to a designated country shall be substituted in that Act for references to a country to which a provision of that Act applies.
- (4) For the purpose of conferring on persons attached to any designated allied headquarters the like benefits as are conferred by the said subsections (1) and (2) on members of a visiting force or civilian component, any members of the armed forces of a designated country shall, while attached to any such headquarters, be deemed to constitute a visiting force of that country, and there shall be a corresponding extension of the class of persons who may be treated as members of a civilian component of such a visiting force.
- (5) In the case of persons of any category for the time being agreed between Her Majesty's Government in the United Kingdom and the other members of the North Atlantic Council—

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

- (a) employment by a designated allied headquarters shall be treated for the purposes of subsection (2) above as if it were service as a member of a visiting force of a designated country, and
- (b) the emoluments paid by a designated allied headquarters to persons employed by such a headquarters shall be exempt from income tax:

Provided that the exemption conferred by paragraph (b) of this subsection shall cease to apply to citizens of the United Kingdom and colonies if it becomes unnecessary that it should so apply for the purpose of giving effect to any agreement between parties to the North Atlantic Treaty.

- (6) For the purposes of this section—
 - " allied headquarters " means any international military headquarters established under the North Atlantic Treaty, and
 - " designated " means designated for the purpose in question by or under any Order in Council made for giving effect to any international agreement.
- (7) Any Order in Council under this section may be varied or revoked by a subsequent Order in Council.

368 Victoria Cross and other awards

The following shall be disregarded for all the purposes of the Income Tax Acts:

- (a) annuities and additional pensions paid to holders of the Victoria Cross,
 - (b) annuities paid to holders of the George Cross,
 - (c) annuities paid to holders of the Albert Medal or of the Edward Medal,
- where paid by virtue of holding the award.