



Finance Act 1990

1990 CHAPTER 29

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Charities

^{F1}24

Textual Amendments

^{F1} S. 24 repealed (27.07.1993 with effect for the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 213, **Sch. 23 Pt. III**.

25 Donations to charity by individuals.

^{F2}(1)

^{F2}(2)

^{F2}(3)

^{F2}(3A)

^{F2}(4)

^{F2}(5)

Status: Point in time view as at 06/04/2007.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1990, Cross Heading: Charities. (See end of Document for details)

- F2(5A)
- F2(5B)
- F2(5C)
- F2(5D)
- F2(5E)
- F2(5F)
- F2(5G)
- F2(5H)
- F2(5I)
- F2(5J)
- F2(6)
- F2(7)
- F2(8)
- F2(9)
- F2(9A)

(10) The receipt by a [F3charitable company] of a gift which is a qualifying donation [F4for the purposes of Chapter 2 of Part 8 of the Income Tax Act 2007 (gift aid)] shall be treated for the purposes of the [F5Corporation Tax Acts], in their application to the [F3charitable company], as the receipt, under deduction of income tax at the basic rate for the relevant year of assessment, of an annual payment of an amount equal to the grossed up amount of the gift.

F6(11)

(12) For the purposes of this section—

- (a) “[F7charitable company]” has the same meaning as in section 506 of the Taxes Act 1988 and includes each of the bodies mentioned in section 507 of that Act;
- F8(b)
- (c) “relevant year of assessment”, in relation to a gift, means the year of assessment in which the gift is made;
- (d) references, in relation to a gift, to the grossed up amount are to the amount which after deducting income tax at the basic rate for the relevant year of assessment leaves the amount of the gift; F8 ...
- F8(e)

F9(13)

Textual Amendments

F2 S. 25(1)-(9A) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 284(2), [Sch. 3 Pt. 1](#) (with [Sch. 2 para. 98](#))

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- F3** Words in s. 25(10) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(3)(a)** (with [Sch. 2 para. 98](#))
- F4** Words in s. 25(10) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(3)(b)** (with [Sch. 2 para. 98](#))
- F5** Words in s. 25(10) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(3)(c)** (with [Sch. 2 para. 98](#))
- F6** S. 25(11) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(2)**, **Sch. 3 Pt. 1** (with [Sch. 2 para. 98](#))
- F7** Words in s. 25(12)(a) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(4)** (with [Sch. 2 para. 98](#))
- F8** S. 25(12)(b)(e) and the word “and” immediately preceding paragraph (e) repealed (28.7.2000 with effect as mentioned in [s. 39\(10\)](#) of the amending Act) by 2000 c. 17, ss. 39(7), 156, **Sch. 40 Pt. II(1)** note 4
- F9** S. 25(13) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 1 para. 284(2)**, **Sch. 3 Pt. 1** (with [Sch. 2 para. 98](#))

Modifications etc. (not altering text)

- C1** S. 25 modified (31.7.1998) by 1998 c. 36, **s. 48(1)(4)**
S. 25 applied (31.7.1998) by 1998 c. 36, **s. 48(1)(10)**
- C2** S. 25 modified (with effect as mentioned in s. 98(6) of the modifying Act) by [Finance Act 2002 \(c. 23\)](#), **s. 98(1)-(5)**;
S. 25 modified (with effect as mentioned in s. 58(4) of the modifying Act) by [Finance Act 2002 \(c. 23\)](#), s. 58(1), **Sch. 18 Pt. 3 para. 9(1)**

26 Company donations to charity.

- (1) Section 339 of the Taxes Act 1988 (charges on income: donations to charity) shall be amended as follows.
- (2) In subsection (1) after the word “payment” there shall be inserted the words “ of a sum of money ”.
- (3) In subsection (2) the words “and is not a close company” shall be omitted.
- (4) The following subsections shall be inserted after subsection (3)—
- “(3A) A payment made by a close company is not a qualifying donation if it is of a sum which leaves less than £600 after deducting income tax under subsection (3) above.
- (3B) A payment made by a close company is not a qualifying donation if—
- (a) it is made subject to a condition as to repayment, or
- (b) the company or a connected person receives a benefit in consequence of making it and either the relevant value in relation to the payment exceeds two and a half per cent. of the amount given after deducting tax under section 339(3) or the amount to be taken into account for the purposes of this paragraph in relation to the payment exceeds £250.
- (3C) For the purposes of subsections (3B) above and (3D) below, the relevant value in relation to a payment to a charity is—
- (a) where there is one benefit received in consequence of making it which is received by the company or a connected person, the value of that benefit;

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- (b) where there is more than one benefit received in consequence of making it which is received by the company or a connected person, the aggregate value of all the benefits received in consequence of making it which are received by the company or a connected person.
- (3D) The amount to be taken into account for the purposes of subsection (3B)(b) above in relation to a payment to a charity is an amount equal to the aggregate of—
- (a) the relevant value in relation to the payment, and
 - (b) the relevant value in relation to each payment already made to the charity by the company in the accounting period in which the payment is made which is a qualifying donation within the meaning of this section.
- (3E) A payment made by a close company is not a qualifying donation if it is conditional on, or associated with, or part of an arrangement involving, the acquisition of property by the charity, otherwise than by way of gift, from the company or a connected person.
- (3F) A payment made by a company is not a qualifying donation unless the company gives to the charity to which the payment is made a certificate in such form as the Board may prescribe and containing—
- (a) in the case of any company, a statement to the effect that the payment is one out of which the company has deducted tax under subsection (3) above, and
 - (b) in the case of a close company, a statement to the effect that the payment satisfies the requirements of subsections (3A) to (3E) above.
- (3G) A payment made by a company is not a qualifying donation if the company is itself a charity.”
- (5) The following subsection shall be inserted after subsection (7)—
- “(7A) In subsections (3B) to (3E) above references to a connected person are to a person connected with—
- (a) the company, or
 - (b) a person connected with the company;
- and section 839 applies for the purposes of this subsection.”
- (6) This section applies in relation to payments made on or after 1st October 1990.

27 Maximum qualifying company donations.

^{F10}(1)

- (2) In section 339 of that Act (charges on income: donations to charity) subsection (5) shall be omitted and in subsection (9) for “(5)” there shall be substituted “ (4) ”.

^{F10}(3)

- (4) This section applies in relation to accounting periods ending on or after 1st October 1990.

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Textual Amendments

F10 S. 27(1)(3) repealed(for accounting periods beginning on or after 19.03.1991) by [Finance Act 1991](#) (c. 31, SIF 63:1), s. 123, **Sch. 19 Pt.V** Note 5.

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