



Finance Act 1993

1993 CHAPTER 34

PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Taxation of distributions etc.

77 Application of lower rate.

^{F1}(1)

^{F1}(2)

^{F2}(3)

(4) In section 421(1) of that Act (taxation of borrower where loan under section 419 released)—

- (a) in paragraph (a), after “tax” there shall be inserted “ at the lower rate ”;
- (b) in paragraph (b), for “basic rate” there shall be substituted “ lower rate ”; and
- (c) in paragraph (c), for the words from “which is not” to “that paragraph” there shall be substituted “ to which (without prejudice to paragraph (b) above) section 207A shall be taken to apply as it applies to income chargeable under Schedule F, but, notwithstanding the preceding provisions of this subsection ”.

(5) This section shall apply in relation to the year 1993-94 and subsequent years of assessment.

Status: Point in time view as at 06/04/2005.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Cross Heading: Taxation of distributions etc.. (See end of Document for details)

Textual Amendments

- F1** S. 77(1)(2) repealed (29.4.1996 with effect in accordance with s. 73 and [Sch. 6](#) of the amending Act) by 1996 c. 8, s. 205, [Sch. 41 Pt. V\(1\)](#) Note 1
- F2** S. 77(3) repealed (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005](#) (c. 5), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

^{F3}**78**

Textual Amendments

- F3** [S. 78](#) repealed (31.7.1998 with effect in accordance with [Sch. 3](#) of the repealing Act) by 1998 c. 36, s. 165, [Sch. 27 Pt. III\(2\)](#), Note

79 Provisions supplemental to sections 77 and 78.

- (1) Schedule 6 to this Act (which makes further provision for the purposes of and in connection with the provisions of sections 77 and 78 above) shall have effect.
- (2) Subject to that Schedule, subsection (3) of section 687 of the Taxes Act 1988 (definition of pool for the purposes of payments under discretionary trusts) shall have effect, and be deemed always to have had effect, as if—
 - (a) the repeal of paragraph (b) which was made by Part V of Schedule 17 to the ^{M1}Finance Act 1989 in relation to accounting periods beginning after 31st March 1989 had been confined to the following words in that paragraph, that is to say, “under section 462(2) as applied by section 686(4) or”; and
 - (b) that subsection included the following paragraph—
 - “(j) the amount of any tax on an amount which is treated as income of the trustees by virtue of paragraph 12 of Schedule 10 to the ^{M2}Finance Act 1990 and is charged to tax at a rate equal to the sum of the basic rate and the additional rate by virtue of paragraph 19 of that Schedule;”.

^{F4}(3)

Textual Amendments

- F4** [S. 79\(3\)](#) repealed (29.4.1996 with effect in accordance with s. 73 and [Sch. 6](#) of the amending Act) by 1996 c. 8, s. 205, [Sch. 41 Pt. V\(1\)](#) Note 1

Marginal Citations

- M1** 1989 c. 26.
- M2** 1990 c. 29.

80 Transitional relief for charities etc.

- (1) In any case where—

Status: Point in time view as at 06/04/2005.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Cross Heading: Taxation of distributions etc.. (See end of Document for details)

- (a) a qualifying distribution is made on or after 6th April 1993 and before 6th April 1997 by a company resident in the United Kingdom;
- (b) the recipient of the distribution is a section 505 body; and
- (c) the section 505 body is entitled to the payment of a tax credit in respect of the distribution,

the section 505 body, on a claim made under this section to the Board, shall (in addition to its entitlement to payment of the tax credit) be entitled to be paid by the Board out of money provided by Parliament an amount determined in accordance with subsection (2) below.

- (2) The amount referred to in subsection (1) above is an amount equal to—
 - (a) one-fifteenth of the amount or value of the distribution if the distribution is made on or after 6th April 1993 and before 6th April 1994;
 - (b) one-twentieth of that amount or value if the distribution is made on or after 6th April 1994 and before 6th April 1995;
 - (c) one-thirtieth of that amount or value if the distribution is made on or after 6th April 1995 and before 6th April 1996;
 - (d) one-sixtieth of that amount or value if the distribution is made on or after 6th April 1996 and before 6th April 1997.
- (3) For the purposes of this section each of the following is a section 505 body—
 - (a) any charity (as defined in section 506(1) of the Taxes Act 1988);
 - (b) each of the bodies mentioned in section 507 of that Act (heritage bodies);
 - (c) any Association of a description specified in section 508 of that Act (scientific research organisations).
- (4) Any entitlement of a section 505 body to a payment under the preceding provisions of this section shall be subject to a power of the Board to determine (whether before or after any payment is made) that, having regard to the operation in relation to the qualifying distribution in question of section 235, 237 or 703 of the Taxes Act 1988 (distributions of exempt funds, bonus issues and tax avoidance provisions), that body is to be treated as if it had had no entitlement to that payment or to so much of it as they may determine.
- (5) No claim may be made under this section later than two years after the end of the chargeable period of the section 505 body in which the distribution is made.
- (6) An appeal may be brought against any decision of the Board under this section by giving written notice to the Board within thirty days of receipt of written notice of the decision.
- (7) An appeal under this section shall lie to the Special Commissioners, and the provisions of the ^{M3}Taxes Management Act 1970 relating to appeals under the Tax Acts shall apply to an appeal under this section as they apply to those appeals.
- (8) Any payment of an amount under this section shall be treated for the purposes of section 252 of the Taxes Act 1988 (rectification of excessive set-off etc. of ACT or tax credit) as a payment of tax credit.

Marginal Citations

M3 1970 c. 9.

Status: Point in time view as at 06/04/2005.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1993, Cross Heading: Taxation of distributions etc.. (See end of Document for details)

F5 **81**

Textual Amendments

F5 S. 81 repealed (31.7.1998 with effect in accordance with Sch. 3 of the repealing Act) by 1998 c. 36, s. 165, Sch. 27 Pt. III(2), Note

Status:

Point in time view as at 06/04/2005.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1993, Cross Heading:
Taxation of distributions etc..