

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

SCHEDULES

SCHEDULE 3

Section 31.

ADVANCE CORPORATION TAX

Section 1 of the Provisional Collection of Taxes Act 1968

- 1 (1) Section 1 of the ^{M1}Provisional Collection of Taxes Act 1968 (temporary statutory effect of House of Commons resolutions) shall be amended as follows.
 - (2) In subsection (1) the words “(including advance corporation tax)” shall cease to have effect.
 - (3) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Marginal Citations

M1 1968 c. 2.

Section 10 of the Taxes Management Act 1970

- 2 (1) Section 10 of the ^{M2}Taxes Management Act 1970 (notice of liability to corporation tax) shall be amended as follows.
 - (2) Subsection (4) (which makes provision in relation to surplus ACT) shall cease to have effect.
 - (3) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Marginal Citations

M2 1970 c. 9.

Section 87 of the Taxes Management Act 1970

- 3 (1) Section 87 of the ^{M3}Taxes Management Act 1970 (interest on overdue ACT and income tax on company payments) shall be amended as follows.
 - (2) In subsection (1) (which contains a reference to Schedule 13) the words “13 or” shall cease to have effect.
 - (3) In subsection (2), paragraph (a) (which concerns ACT) shall cease to have effect.
 - (4) In subsection (6) (which contains a reference to Schedule 13) the words “13 or” shall cease to have effect.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

- (5) In subsection (7)—
- (a) the words “advance corporation tax and” shall cease to have effect; and
 - (b) for “either of those Schedules” there shall be substituted “ the said Schedule 16 ”.
- (6) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Marginal Citations

M3 1970 c. 9.

Section 87A of the Taxes Management Act 1970

- 4 (1) Section 87A of the ^{M4}Taxes Management Act 1970 (interest on overdue corporation tax etc) shall be amended as follows.
- (2) Subsection (4) (which makes provision in relation to surplus ACT) shall cease to have effect.
 - (3) Subsections (4B) and (7) (which make further provision in relation to surplus ACT) shall cease to have effect.
 - (4) Sub-paragraph (2) above has effect where the later period mentioned in subsection (4) of section 87A begins on or after 6th April 1999.
 - (5) Sub-paragraph (3) above has effect where the earlier period mentioned in subsections (4B) and (7) of section 87A begins on or after 6th April 1999.

Marginal Citations

M4 1970 c. 9.

Section 94 of the Taxes Management Act 1970

- 5 (1) Section 94 of the ^{M5}Taxes Management Act 1970 (failure to make return for corporation tax) shall be amended as follows.
- (2) Subsection (8) (which makes provision in relation to surplus ACT) shall cease to have effect.
 - (3) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Marginal Citations

M5 1970 c. 9.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

Section 109 of the Taxes Management Act 1970

- 6 (1) Section 109 of the ^{M6}Taxes Management Act 1970 (corporation tax on close company in connection with loans to participators etc) shall be amended as follows.
- (2) In subsection (3A) (interest under section 87A on so much of tax under section 419 of Taxes Act 1988 as is referable to amount of loan or advance repaid shall not be payable in respect of any period after repayment made)—
- (a) after “If” there shall be inserted “ (a) ”;
 - (b) after “principal Act,” there shall be inserted “or
(b) there is such a release or writing off of the whole or any part of the debt in respect of a loan or advance as is referred to in that subsection,”;
 - (c) after “amount repaid” there shall be inserted “ , released or written off ”; and
 - (d) after “the repayment was made” there shall be inserted “ or the release or writing off occurred ”.
- (3) This paragraph has effect in relation to the release or writing off of the whole or part of a debt on or after 6th April 1999.

Marginal Citations

M6 1970 c. 9.

Section 13 of the Taxes Act 1988

- 7 (1) Section 13 of the Taxes Act 1988 (small companies’ relief) shall be amended as follows.
- (2) In subsection (7) (exclusion of group income etc) for the words from “other than franked investment income” onwards there shall be substituted—
- “other than franked investment income (if any) which the company (“the receiving company”) receives from a company resident in the United Kingdom which is—
- (a) a 51 per cent. subsidiary of the receiving company or of a company resident in the United Kingdom of which the receiving company is a 51 per cent. subsidiary; or
 - (b) a trading or holding company which does not fall within section 247(1A) and which is owned by a consortium the members of which include the receiving company.”
- (3) After subsection (8) there shall be inserted—
- “(8AA) Subsections (8) to (9A) of section 247 shall apply for the purposes of subsection (7) above as they apply for the purposes of that section.
- (8AB) The reference in subsection (7) above to franked investment income received by a company applies to any such income received by another person on behalf of or in trust for the company, but not to any such income received by the company on behalf of or in trust for another person.”
- (4) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

Section 14 of the Taxes Act 1988

- 8 (1) Section 14 of the Taxes Act 1988 (ACT and qualifying distributions) shall be amended as follows.
- (2) Subsections (1) and (3) to (5) (which make provision for and in connection with the imposition of ACT) shall cease to have effect.
- (3) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 75 of the Taxes Act 1988

- 9 (1) Section 75 of the Taxes Act 1988 (expenses of management: investment companies) shall be amended as follows.
- (2) In subsection (2) the words “group income” shall cease to have effect.
- (3) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 116 of the Taxes Act 1988

- 10 (1) Section 116 of the Taxes Act 1988 (arrangements for transferring relief) shall be amended as follows.
- (2) In subsection (2), paragraph (d) (which makes provision in relation to section 239) shall cease to have effect.
- (3) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Section 238 of the Taxes Act 1988

- 11 (1) Section 238 of the Taxes Act 1988 (interpretation of terms and collection of ACT) shall cease to have effect.
- (2) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Section 239 of the Taxes Act 1988

- 12 (1) Section 239 of the Taxes Act 1988 (set-off of ACT against liability to corporation tax) shall cease to have effect.
- (2) Sub-paragraph (1) above has effect in relation to accounting periods beginning on or after 6th April 1999.
- (3) No advance corporation tax shall, by virtue of section 239(4) of the Taxes Act 1988, be treated as if it were paid in respect of distributions made in accounting periods beginning on or after 6th April 1999.
- (4) The limit under section 239(2) of the Taxes Act 1988 on the set-off of advance corporation tax for an accounting period of a company beginning before, and ending on or after, 6th April 1999 (a “straddling period”) shall be determined as if—
- (a) the straddling period were an accounting period beginning at the beginning of the straddling period and ending on 5th April 1999 (“the notional period”); and

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

- (b) there were apportioned to the notional period a proportionate amount of the profits of the company which, apart from this sub-paragraph, would be taken into account in determining the limit under section 239(2) of that Act.
- (5) The references in sub-paragraphs (2) and (3) above to accounting periods beginning on or after 6th April 1999 include a reference to a separate accounting period mentioned in section 245(2) of the Taxes Act 1988 which begins on 6th April 1999.
- (6) The reference in sub-paragraph (4) above to an accounting period beginning before, and ending on or after, 6th April 1999 includes a reference to a separate accounting period mentioned in section 245(2) of the Taxes Act 1988 which begins before, and ends on or after, that date.

Section 240 of the Taxes Act 1988

- 13 (1) Section 240 of the Taxes Act 1988 (set-off of company's surplus ACT against subsidiary's liability to corporation tax) shall cease to have effect.
- (2) This paragraph has effect in relation to accounting periods of the surrendering company (as defined in section 240(1) of the Taxes Act 1988) beginning on or after 6th April 1999.

Section 241 of the Taxes Act 1988

- 14 (1) Section 241 of the Taxes Act 1988 (calculation of ACT where company receives franked investment income) shall cease to have effect.
- (2) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Section 245 of the Taxes Act 1988

- 15 (1) Section 245 of the Taxes Act 1988 (calculation etc of ACT on change of ownership of company) shall cease to have effect.
- (2) This paragraph has effect in relation to changes in ownership (within the meaning of section 245 of that Act) occurring on or after 6th April 1999.

Section 245A of the Taxes Act 1988

- 16 (1) Section 245A of the Taxes Act 1988 (restriction on application of section 240 in certain circumstances) shall cease to have effect.
- (2) This paragraph has effect in relation to changes in ownership (within the meaning of section 245A of that Act) occurring on or after 6th April 1999.

Section 245B of the Taxes Act 1988

- 17 (1) Section 245B of the Taxes Act 1988 (restriction on set-off where asset transferred after change in ownership of company) shall cease to have effect.
- (2) Sub-paragraph (1) above has effect in relation to disposals on or after 6th April 1999.
- (3) In relation to an accounting period beginning before, and ending on or after, 6th April 1999, the reference in section 245B(4)(a) of the Taxes Act 1988 to the end of the

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

relevant period shall be taken to be a reference to the end of a period which ends on 5th April 1999.

Section 246 of the Taxes Act 1988

- 18 (1) Section 246 of the Taxes Act 1988 (charge of ACT at previous rate until new rate fixed, and changes of rate) shall cease to have effect.
- (2) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 247 of the Taxes Act 1988

- 19 (1) Section 247 of the Taxes Act 1988 (dividends etc paid by one member of a group to another) shall be amended as follows.
- (2) Subsections (1), (2) and (3) (which enable dividends paid by one member of a group to another to be excluded from sections 14(1) and 231 of the Taxes Act 1988 etc) shall cease to have effect.
- (3) In subsection (4), for paragraph (a) there shall be substituted—
 “(a) the payer company is—
 (i) a 51 per cent. subsidiary of the other or of a company so resident of which the other is a 51 per cent. subsidiary, or
 (ii) a trading or holding company which does not fall within subsection (1A) above and which is owned by a consortium the members of which include the recipient company, or”.
- (4) In subsection (5)—
 (a) for “Subsections (1) to (4) above shall not apply to dividends or other payments” there shall be substituted “ Subsection (4) above shall not apply to payments ”; and
 (b) the words “and shall not apply to a dividend” onwards shall cease to have effect.
- (5) In subsection (6)—
 (a) paragraph (a),
 (b) the words “advance corporation tax ought to have been paid or”,
 (c) the words “as the case may be”,
 (d) the words “paying or”,
 (e) the words “receiving or”, and
 (f) the words “the advance corporation tax had been duly paid or”,
 shall cease to have effect.
- (6) In subsection (7) the words “paying or” and “receiving or” shall cease to have effect.
- (7) In subsection (10)—
 (a) the words “dividends or”, and
 (b) the words “and references to “group income” shall be construed accordingly”,
 shall cease to have effect.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

(8) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 248 of the Taxes Act 1988

20 (1) Section 248 of the Taxes Act 1988 (provisions supplemental to section 247) shall be amended as follows.

(2) In subsections (2) and (3) the words “dividends or other” shall cease to have effect.

(3) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 252 of the Taxes Act 1988

21 (1) Section 252 of the Taxes Act 1988 (rectification of excessive set-off of ACT or tax credit) shall be amended as follows.

(2) In subsection (1), paragraph (a) (which concerns the set-off of ACT) shall cease to have effect.

(3) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Section 253 of the Taxes Act 1988

22 (1) Section 253 of the Taxes Act 1988 (power to modify or replace section 234(5) to (9) and Schedule 13) shall be amended as follows.

(2) In subsection (1)—

(a) paragraph (b), and

(b) the words “and to Schedule 13”, shall cease to have effect.

(3) Subsection (2) (which concerns ACT) shall cease to have effect.

(4) In subsection (3)(a) (which contains a reference to ACT) the words “advance corporation tax or” shall cease to have effect.

(5) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Section 255 of the Taxes Act 1988

23 (1) Section 255 of the Taxes Act 1988 (“gross rate” and “gross amount” of distributions to include ACT) shall cease to have effect.

(2) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 419 of the Taxes Act 1988

24 (1) Section 419 of the Taxes Act 1988 (loans to participators etc) shall be amended as follows.

(2) In subsection (1) (charge at rate of ACT) for the words from “such proportion” onwards there shall be substituted “25 per cent. of the amount of the loan or advance”.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

- (3) In subsection (4) (relief in case of repayment of loan or advance)—
- (a) after “subsection (1) above and” there shall be inserted “ (a) ”;
 - (b) after “is repaid to the company,” there shall be inserted “or
 - (b) the whole or part of the debt in respect of the loan or advance is released or written off,”; and
 - (c) after “the repayment is made” there shall be inserted “ or the release or writing off occurs ”.
- (4) In subsection (4A) (provision in relation to relief under subsection (4))—
- (a) after “Where” there shall be inserted “ (a) ”;
 - (b) after “that loan or advance,” there shall be inserted “or
 - (b) the release or writing off of the whole or any part of the debt in respect of a loan or advance occurs on or after the day on which tax by virtue of this section becomes due in relation to that loan or advance,”; and
 - (c) after “repayment”, in the second and third places where it occurs, there shall be inserted “ , release or writing off ”.
- (5) Sub-paragraph (2) above has effect in relation to loans or advances made on or after 6th April 1999.
- (6) Sub-paragraphs (3) and (4) above have effect in relation to the release or writing off of the whole or part of a debt on or after 6th April 1999.

Section 434 of the Taxes Act 1988

- 25 (1) Section 434 of the Taxes Act 1988 (franked investment income etc) shall be amended as follows.
- (2) Subsection (3) (certain franked investment income not to be used to frank distributions) shall cease to have effect.
 - (3) Subsection (6) (which makes provision in relation to section 239) shall cease to have effect.
 - (4) Subsection (8) (which applies where subsection (3) or (6) of section 434 applies) shall cease to have effect.
 - (5) Sub-paragraph (2) above has effect in relation to franked investment income which is attributable to distributions made on or after 6th April 1999.
 - (6) Sub-paragraphs (3) and (4) above have effect in relation to accounting periods beginning on or after 6th April 1999.

Section 434C of the Taxes Act 1988

- 26 (1) Section 434C of the Taxes Act 1988 (interest on repayment of ACT) shall cease to have effect.
- (2) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

Section 468Q of the Taxes Act 1988

- 27 (1) Section 468Q of the Taxes Act 1988 (dividend distribution to corporate unit holder) shall be amended as follows.
- (2) In subsection (3) (as amended by paragraph 8(6)(b) of Schedule 6 to the ^{M7}Finance (No. 2) Act 1997)—
- (a) for the definition of “C” there shall be substituted—
- “C = such amount of the gross income as does not derive from franked investment income, as reduced by an amount equal to the trustees’ net liability to corporation tax in respect of the gross income;” and
- (b) for the definition of “D” there shall be substituted—
- “D = the amount of the gross income, as reduced by an amount equal to the trustees’ net liability to corporation tax in respect of the gross income;”.
- (3) After that subsection there shall be inserted—
- “(3A) Any reference in this section to the trustees’ net liability to corporation tax in respect of the gross income is a reference to the amount of the liability of the trustees of the authorised unit trust to corporation tax in respect of that gross income less the amount (if any) of any reduction of that liability which is given or falls to be given in accordance with any arrangements having effect by virtue of section 788 or by way of a credit under section 790(1).”
- (4) After subsection (5) there shall be inserted—
- “(5A) Where, in relation to a dividend distribution, any tax is deemed to have been deducted by virtue of the application of subsection (2)(b) above, the amount to which the unit holder is entitled by way of repayment of that tax shall not exceed the amount of the unit holder’s portion of the trustees’ net liability to corporation tax in respect of the gross income.
- (5B) For the purposes of subsection (5A) above the unit holder’s portion shall be determined by reference to the proportions in which unit holders have rights in the authorised unit trust in the distribution period in question.
- (5C) The trustees of the authorised unit trust shall in the appropriate statement sent to the unit holder under section 234A include a statement showing their net liability to corporation tax in respect of the gross income.”
- (5) This paragraph has effect in relation to distribution periods beginning on or after 6th April 1999.

Marginal Citations

M7 1997 c. 58.

Section 490 of the Taxes Act 1988

- 28 (1) Section 490 of the Taxes Act 1988 (companies carrying on a mutual business or not carrying on a business) shall be amended as follows.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

- (2) In subsection (1) the words “(including group income)” shall cease to have effect.
- (3) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 497 of the Taxes Act 1988

- 29 (1) Section 497 of the Taxes Act 1988 (restriction on setting ACT against income from oil extraction activities etc) shall cease to have effect.
- (2) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Section 498 of the Taxes Act 1988

- 30 (1) Section 498 of the Taxes Act 1988 (limited right to carry back surrendered ACT) shall cease to have effect.
- (2) Sub-paragraph (1) above has effect in relation to accounting periods of the surrendering company (as defined in section 240(1) of the Taxes Act 1988) beginning on or after 6th April 1999.
- (3) The limit under section 498(5) of the Taxes Act 1988 for an accounting period of the surrendering company (as defined in section 240(1) of that Act) beginning before, and ending on or after, 6th April 1999 (a “straddling period”) shall be determined as if—
 - (a) the straddling period were an accounting period beginning at the beginning of the straddling period and ending on 5th April 1999 (“the notional period”); and
 - (b) there were apportioned to the notional period a proportionate amount of the limit which, apart from this sub-paragraph, would apply for the purposes of section 498(5) of the Taxes Act 1988.

Section 499 of the Taxes Act 1988

- 31 (1) Section 499 of the Taxes Act 1988 (surrender of ACT where oil extraction company etc owned by a consortium) shall cease to have effect.
- (2) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 703 of the Taxes Act 1988

- 32 (1) Section 703 of the Taxes Act 1988 (cancellation of tax advantage) shall be amended as follows.
- (2) After subsection (3) there shall be inserted—
 - “(3A) The amount of income tax which may be specified in an assessment which is made under subsection (3) above to counteract a tax advantage—
 - (a) obtained by a person in circumstances falling within paragraph D or paragraph E of section 704, and
 - (b) consisting of the avoidance of a charge to income tax,
 shall not exceed the amount of income tax for which that person would be liable in respect of the receipt, on the date on which the consideration mentioned in paragraph D or paragraph E of section 704 is received, of a

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

qualifying distribution of an amount equal to the amount or value of that consideration.”

- (3) Subsections (4) to (6) (which make provision in relation to treating of amounts of ACT as paid) shall cease to have effect.
- (4) Sub-paragraph (2) above has effect in relation to assessments under section 703(3) of the Taxes Act 1988 made on or after 6th April 1999.
- (5) Sub-paragraph (3) above has effect for the year 1999-00 and subsequent years of assessment.

Section 704 of the Taxes Act 1988

- 33 (1) Section 704 of the Taxes Act 1988 (the prescribed circumstances) shall be amended as follows.
 - (2) In paragraph A, sub-paragraph (d) (which relates to ACT) shall cease to have effect.
 - (3) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 705 of the Taxes Act 1988

- 34 (1) Section 705 of the Taxes Act 1988 (appeals against Board’s notices under section 703) shall be amended as follows.
 - (2) Subsections (6) to (8) (which make provision supplemental to section 703(5) and (6)) shall cease to have effect.
 - (3) This paragraph has effect for the year 1999-00 and subsequent years of assessment.

Section 797 of the Taxes Act 1988

- 35 (1) Section 797 of the Taxes Act 1988 (limits on credit: corporation tax) shall be amended as follows.
 - (2) Sub-paragraphs (4) and (5) (which make provision in relation to section 239) shall cease to have effect.
 - (3) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Section 802 of the Taxes Act 1988

- 36 (1) Section 802 of the Taxes Act 1988 (UK insurance companies trading overseas) shall be amended as follows.
 - (2) In subsection (2)(a) the words “and group income” shall cease to have effect.
 - (3) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Section 813 of the Taxes Act 1988

- 37 (1) Section 813 of the Taxes Act 1988 (recovery of tax credits incorrectly paid) shall be amended as follows.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

- (2) In subsection (6), paragraph (b) (which makes provision in relation to ACT) shall cease to have effect.
- (3) This paragraph has effect in relation to accounting periods beginning on or after 6th April 1999.

Section 826 of the Taxes Act 1988

- 38 (1) Section 826 of the Taxes Act 1988 (interest on tax overpaid) shall be amended as follows.
 - (2) Subsection (2A) (material date for ACT) shall cease to have effect.
 - (3) Subsection (7) (which makes provision in relation to surplus ACT) shall cease to have effect.
 - (4) Subsections (7AA) and (7CA) (which make further provision in relation to surplus ACT) shall cease to have effect.
 - (5) Sub-paragraph (2) above has effect in relation to accounting periods beginning on or after 6th April 1999.
 - (6) Sub-paragraph (3) above has effect where the later period mentioned in subsection (7) of section 826 begins on or after 6th April 1999.
 - (7) Sub-paragraph (4) above has effect where the earlier period mentioned in subsections (7AA) and (7CA) of section 826 begins on or after 6th April 1999.

Section 832 of the Taxes Act 1988

- 39 (1) Section 832 of the Taxes Act 1988 (interpretation of the Tax Acts) shall be amended as follows.
 - (2) In subsection (1) for the definition of “franked investment income” there shall be substituted—
 - ““franked investment income” means income of a company resident in the United Kingdom which consists of a distribution in respect of which the company is entitled to a tax credit (and which accordingly represents income equal to the aggregate of the amount or value of the distribution and the amount of that credit);”.
 - (3) In subsection (1) the definition of “franked payment” shall cease to have effect.
 - (4) In subsection (1) the definition of “group income” shall cease to have effect.
 - (5) In subsection (1) the definition of “the rate of advance corporation tax” shall cease to have effect.
 - (6) In subsection (1) the definition of “surplus of franked investment income” shall cease to have effect.
 - (7) After subsection (4) there shall be inserted—
 - “(4A) Any reference in the Tax Acts to franked investment income received by a company apply to any such income received by another person on behalf

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

of or in trust for the company, but not to any such income received by the company on behalf of or in trust for another person.”

- (8) Sub-paragraphs (2), (3), (6) and (7) above have effect in relation to accounting periods beginning on or after 6th April 1999.
- (9) Sub-paragraphs (4) and (5) above have effect in relation to distributions made on or after 6th April 1999.

Section 835 of the Taxes Act 1988

- 40 (1) Section 835 of the Taxes Act 1988 (“total income” in the Income Tax Acts) shall be amended as follows.
- (2) In subsection (6), in paragraph (a) (which refers to an amount equal to a tax credit calculated by reference to the rate of ACT in force for any year) for the words from “amount” to “for any year” there shall be substituted “ amount which is equal to a tax credit calculated by reference to the tax credit fraction ”.
- (3) This paragraph has effect in relation to distributions made on or after 6th April 1999.

Schedule 13 to the Taxes Act 1988

- 41 (1) Schedule 13 to the Taxes Act 1988 (collection of ACT) shall cease to have effect.
- (2) This paragraph has effect—
- (a) in relation to return periods beginning on or after 6th April 1999; and
 - (b) in relation to accounting periods beginning on or after that date.

Schedule 13A to the Taxes Act 1988

- 42 (1) Schedule 13A to the Taxes Act 1988 (surrenders of ACT) shall cease to have effect.
- (2) This paragraph has effect in relation to accounting periods of the surrendering company (as defined in section 240(1) of the Taxes Act 1988) beginning on or after 6th April 1999.

Schedule 24 to the Taxes Act 1988

- 43 (1) Schedule 24 to the Taxes Act 1988 (assumptions in relation to controlled foreign companies etc) shall be amended as follows.
- (2) In paragraph 6—
- (a) in sub-paragraph (1), paragraph (a) (which makes provision in relation to section 247(1)) shall cease to have effect; and
 - (b) in sub-paragraph (2), the words “dividends or” shall cease to have effect.
- (3) Paragraph 7 (which makes provision in relation to section 240) shall cease to have effect.
- (4) This paragraph has effect in relation to accounting periods of companies resident outside the United Kingdom which begin on or after 6th April 1999.

Status: Point in time view as at 31/07/1998.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)

Schedule 26 to the Taxes Act 1988

- 44 (1) Schedule 26 to the Taxes Act 1988 (controlled foreign companies: relief against liability for tax in respect of chargeable profits) shall be amended as follows.
- (2) Paragraph 2 (which makes provision in relation to ACT) shall cease to have effect.
- (3) Sub-paragraphs (1) and (2) above have effect in relation to accounting periods beginning on or after 6th April 1999.
- (4) The relevant maximum (as defined in paragraph 2(3) of Schedule 26 to the Taxes Act 1988) for an accounting period beginning before, and ending on or after, 6th April 1999 (a “straddling period”) shall be determined as if—
- (a) the straddling period were an accounting period beginning at the beginning of the straddling period and ending on 5th April 1999 (“the notional period”); and
 - (b) there were apportioned to the notional period a proportionate amount of the amounts mentioned in paragraph 2(3)(a) and (b) of Schedule 26 to the Taxes Act 1988.

Paragraph 8 of Schedule 4 to the Finance (No. 2) Act 1997

- 45 Paragraph 8 of Schedule 4 to the ^{M8}Finance (No. 2) Act 1997 (which prospectively amends section 238(1) of the Taxes Act 1988) shall not have effect.

Marginal Citations

M8 1997 c. 58.

Paragraph 9 of Schedule 4 to the Finance (No. 2) Act 1997

- 46 Paragraph 9 of Schedule 4 to the ^{M9}Finance (No. 2) Act 1997 (which prospectively amends section 241 of the Taxes Act 1988) shall not have effect.

Marginal Citations

M9 1997 c. 58.

Paragraph 18 of Schedule 4 to the Finance (No. 2) Act 1997

- 47 Paragraph 18 of Schedule 4 to the ^{M10}Finance (No. 2) Act 1997 (which prospectively amends section 703 of the Taxes Act 1988) shall not have effect.

Marginal Citations

M10 1997 c. 58.

Paragraph 23 of Schedule 4 to the Finance (No. 2) Act 1997

- 48 Paragraph 23 of Schedule 4 to the ^{M11}Finance (No. 2) Act 1997 (which prospectively amends Schedule 13 to the Taxes Act 1988) shall not have effect.

Status: Point in time view as at 31/07/1998.

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 1998, SCHEDULE 3. (See end of Document for details)*

Marginal Citations

M11 1997 c. 58.

Status:

Point in time view as at 31/07/1998.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1998, SCHEDULE 3.