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**Changes to legislation:** Finance Act 1999, Paragraph 17 is up to date with all changes known to be in force on or before 18 March 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

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## SCHEDULES

### SCHEDULE 4

#### WITHDRAWAL OF RELIEF FOR INTEREST ON LOANS TO BUY LAND ETC.

##### *Other amendments*

- 17 (1) Section 222 of the <sup>M1</sup>Taxation of Chargeable Gains Act 1992 (relief on disposal of private residence) is amended as follows.

<sup>F1</sup>(2) .....

- (3) After subsection (8) insert—

“(8A) Subject to subsections (8B), (8C) and (9) below, for the purposes of subsection (8) above living accommodation is job-related for a person if—

- (a) it is provided for him by reason of his employment, or for his spouse by reason of her employment, in any of the following cases—

- (i) where it is necessary for the proper performance of the duties of the employment that the employee should reside in that accommodation;
- (ii) where the accommodation is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide living accommodation for employees;
- (iii) where, there being a special threat to the employee’s security, special security arrangements are in force and the employee resides in the accommodation as part of those arrangements;

or

- (b) under a contract entered into at arm’s length and requiring him or his spouse to carry on a particular trade, profession or vocation, he or his spouse is bound—

- (i) to carry on that trade, profession or vocation on premises or other land provided by another person (whether under a tenancy or otherwise); and
- (ii) to live either on those premises or on other premises provided by that other person.

(8B) If the living accommodation is provided by a company and the employee is a director of that or an associated company, subsection (8A)(a)(i) or (ii) above shall not apply unless—

- (a) the company of which the employee is a director is one in which he or she has no material interest; and
- (b) either—

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- (i) the employment is as a full-time working director, or
  - (ii) the company is non-profit making, that is to say, it does not carry on a trade nor do its functions consist wholly or mainly in the holding of investments or other property, or
  - (iii) the company is established for charitable purposes only.
- (8C) Subsection (8A)(b) above does not apply if the living accommodation concerned is in whole or in part provided by—
- (a) a company in which the borrower or his spouse has a material interest; or
  - (b) any person or persons together with whom the borrower or his spouse carries on a trade or business in partnership.
- (8D) For the purposes of this section—
- (a) a company is an associated company of another if one of them has control of the other or both are under the control of the same person; and
  - (b) “employment”, “director”, “full-time working director”, “material interest” and “control”, in relation to a body corporate, have the same meanings as they have for the purposes of Chapter II of Part V of the Taxes Act.”
- (4) In subsection (9)—
- (a) for “Section 356(3)(b) and (5) of the Taxes Act” substitute “ Subsections (8A)(b) and (8C) above ”; and
  - (b) for “within the meaning of that section” substitute “ for the purposes of that subsection ”.

**Textual Amendments**

**F1** Sch. 4 para. 17(2) repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

**Marginal Citations**

**M1** 1992 c.12.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 17 para. 6 - 8 Sch. 19 Pt. 1-III repealed (prosp.) by [1999 c. 16 s. 123\(3\)s. 123\(4\)139Sch. 20 Pt. 5\(6\)](#) Note