Finance Act 2004

2004 CHAPTER 12

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 6

EXEMPTION FROM INCOME TAX FOR CERTAIN INTEREST AND ROYALTY PAYMENTS

Supplementary

105   Consequential amendments

(1) Section 98 of the Taxes Management Act 1970 (c. 9) (special returns etc) is amended as follows.

(2) In subsection (4A)(b), after "(4D)" insert " , (4DA) ".

(3) After subsection (4D) insert—

"(4DA) A payment is within this subsection if—
> (a)   it is a payment to which section 349(1) of the principal Act (requirement to deduct tax) applies,
> (b)   a company, purporting to rely on section 101 of the Finance Act 2004 (payment of royalties without deduction at source), makes the payment without deduction of tax under section 349(1) of the principal Act, and
> (c)   at the time the payment is made section 98 of the Finance Act 2004 does not apply to the payment and the company—
>> (i) does not believe that that section does so apply, or
>> (ii) if it does so believe, cannot reasonably do so.".

(4) In section 18 of the Taxes Act 1988 (Schedule D) after subsection (5) insert—

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Finance Act 2004 (c. 12)
Part 3 – Income tax, corporation tax and capital gains tax
Chapter 6 – Exemption from income tax for certain interest and royalty payments
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"(6) This section is subject to Chapter 6 of Part 3 of the Finance Act 2004 (exemption from income tax for certain interest and royalty payments).".

(5) In section 349 of the Taxes Act 1988 (certain payments to be made subject to deduction of income tax) after subsection (6) insert—

"(7) This section is subject to Chapter 6 of Part 3 of the Finance Act 2004 (exemption from income tax for certain interest and royalty payments).".

Changes to legislation:
There are outstanding changes not yet made by the legislation.gov.uk editorial team to Finance Act 2004. Any changes that have already been made by the team appear in the content and are referenced with annotations.
View outstanding changes

> **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):
>
> –   s. 236ZA inserted by S.I. 2024/357 art. 2(2)