



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 4 **U.K.**

SAVINGS AND INVESTMENT INCOME

CHAPTER 3 **U.K.**

DIVIDENDS ETC. FROM UK RESIDENT COMPANIES [^{F1}AND TAX ^{F1}TREATED AS PAID] IN RESPECT OF CERTAIN DISTRIBUTIONS]

Charge to tax on dividends and other distributions

383 Charge to tax on dividends and other distributions **U.K.**

- (1) Income tax is charged on dividends and other distributions of a UK resident company.
- (2) For income tax purposes such dividends and other distributions are to be treated as income.
- (3) For the purposes of subsection (2), it does not matter that those dividends and other distributions are capital apart from that subsection.

384 Income charged **U.K.**

- (1) Tax is charged under this Chapter on the amount or value of the dividends paid and other distributions made in the tax year.
- (2) Subsection (1) is subject to—
 - section 393(2) and (3) (later charge where cash dividends retained in SIPs are paid over), and
 - section 394(3) (distribution when dividend shares cease to be subject to SIP).

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to *Income Tax (Trading and Other Income) Act 2005*. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

^{F1}(3)

Textual Amendments

F1 S. 384(3) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 5**

385 Person liable U.K.

- (1) The person liable for any tax charged under this Chapter is—
- (a) the person to whom the distribution is made or is treated as made (see Part 6 of ICTA and sections 386(3) [^{F2}, 389(3) and 396A]), or
 - (b) the person receiving or entitled to the distribution.
- (2) Subsection (1) is subject to—
- section 393(4) (later charge where cash dividends retained in SIPs are paid over),
 - and
 - section 394(4) (distribution when dividend shares cease to be subject to SIP).

Textual Amendments

F2 Words in s. 385(1)(a) substituted (with effect in accordance with s. 19(10) of the amending Act) by Finance Act 2015 (c. 11), **s. 19(4)**

Changes to legislation:

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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):

- s. 7A-7D inserted by [2022 c. 3 Sch. 1 para. 3](#)
- s. 31E(4) inserted by [2022 c. 3 Sch. 1 para. 7\(3\)](#)
- s. 649(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 11\(2\)](#)
- s. 679(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(5\)\(b\)](#)
- s. 679A(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(6\)\(b\)](#)
- s. 680(1A) inserted by [2023 c. 30 Sch. 2 para. 11\(7\)\(a\)](#)