



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 6

#### EXEMPT INCOME

### CHAPTER 9

#### OTHER INCOME

#### *Other*

#### **775 Income towards reducing the national debt**

- (1) This section applies if property is held on trust in accordance with directions which are valid and effective under section 9 of the Superannuation and other Trust Funds (Validation) Act 1927 (c. 41) (validation of trust funds for the reduction of the national debt).
- (2) No liability to income tax arises in respect of any of the following—
  - (a) income arising from the property,
  - (b) income arising from the accumulation of that income, and
  - (c) profits of any description otherwise accruing to the property and liable to be accumulated under the trust.

#### **[<sup>F1</sup>775A Government bonus for savings account or other investment plan**

No liability to income tax arises in respect of a payment of, or in respect of, a government bonus under section 1 or 2 of the Savings (Government Contributions) Act 2017.]

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#### Textual Amendments

**F1** S. 775A inserted (17.1.2017) by [Savings \(Government Contributions\) Act 2017 \(c. 2\), ss. 3\(1\), 6\(2\)\(3\)](#)

### 776 Scholarship income

- (1) No liability to income tax arises in respect of income from a scholarship held by an individual in full-time education at a university, college, school or other educational establishment.
- (2) This exemption is subject to section 215 of ITEPA 2003 (under which only the scholarship holder is entitled to the exemption if the scholarship is provided by reason of another person's employment).
- [<sup>F2</sup>(2A) No liability to income tax arises in respect of income from a payment made under section 23C(5A) of the Children Act 1989 (duty to make payments to former relevant children who pursue higher education)] [<sup>F3</sup>or under sections 110(6) or 112(2) of the Social Services and Well-being (Wales) Act 2014 (duty to make payments to certain young people who pursue higher education)].
- (3) In this section “scholarship” includes a bursary, exhibition or other similar educational endowment.

#### Textual Amendments

**F2** S. 776(2A) inserted (E.W.) (22.8.2009 for E., 18.3.2011 for W.) by [Children and Young Persons Act 2008 \(c. 23\), ss. 21\(4\), 44\(4\)](#); S.I. 2009/2273, art. 2(1); S.I. 2011/824, art. 2(a)

**F3** Words in s. 776(2A) inserted (E.W.) (6.4.2016) by [The Social Services and Well-being \(Wales\) Act 2014 \(Consequential Amendments\) Regulations 2016 \(S.I. 2016/413\), regs. 2\(1\), 224](#)

### [<sup>F4</sup>776A Payments under Jobs Growth Wales Plus

- (1) No liability to income tax arises in respect of a payment that is made—
  - (a) by way of training allowance under the Jobs Growth Wales Plus scheme, and
  - (b) to a person as a participant in that scheme.
- (2) For this purpose the “Jobs Growth Wales Plus scheme” means the scheme under section 14 of the Education Act 2002 known as Jobs Growth Wales Plus.]

#### Textual Amendments

**F4** S. 776A inserted (with effect in accordance with s. 26(2) of the amending Act) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 26\(1\)](#)

### <sup>F5</sup>777 VAT repayment supplements

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### Textual Amendments

- F5** S. 777 omitted (with effect in accordance with art. 1(3)(b) of the amending S.I.) by virtue of The Finance Act 2009, Sections 101 and 102 (Value Added Tax) (Late Payment Interest and Repayment Interest) (Exceptions and Consequential Amendments) Order 2022 (S.I. 2022/1298), arts. 1(3)(a), **4(3)**

## 778 Incentives to use electronic communications

No liability to income tax arises in respect of anything received by way of incentive under any regulations made in accordance with Schedule 38 to FA 2000 (regulations for providing incentives for electronic communications).

## 779 Gains on commodity and financial futures

- (1) No liability to income tax arises as a result of Chapter 8 of Part 5 (income not otherwise charged) in respect of a gain arising to a person in the course of dealing in—
- commodity or financial futures,
  - traded options, or
  - financial options.
- (2) The reference in subsection (1) to a gain arising in the course of dealing in commodity or financial futures includes a gain regarded as so arising under section 143(3) of TCGA 1992 (gains arising from transactions otherwise than in the course of dealing on a recognised futures exchange, involving authorised persons).
- (3) In this section—
- “commodity or financial futures” means commodity futures or financial futures that are for the time being dealt in on a recognised futures exchange,
- “financial option” has the meaning given by section 144(8)(c) of TCGA 1992, and
- “traded option” has the meaning given by section 144(8)(b) of that Act.

## 780 Disabled person's vehicle maintenance grant

- (1) No liability to income tax arises in respect of a disabled person's vehicle maintenance grant.
- (2) For this purpose a “disabled person's vehicle maintenance grant” means a grant to any person owning a vehicle that is made under—
- <sup>F6</sup>(a) paragraph 10 of Schedule 1 to the National Health Service Act 2006 or paragraph 10 of Schedule 1 to National Health Service (Wales) Act 2006]
  - section 46(3) of the National Health Service (Scotland) Act 1978 (c. 29), or
  - Article 30 of the Health and Personal Social Services (Northern Ireland) Order 1972 (S.I. 1972/1265 (N.I. 14)).

### Textual Amendments

- F6** Words in s. 780(2)(a) substituted (1.3.2007) by National Health Service (Consequential Provisions) Act 2006 (c. 43), ss. 2, 8(2), **Sch. 1 para. 276** (with Sch. 3 Pt. 1)

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### 781 Payments under New Deal 50plus

- (1) No liability to income tax arises in respect of a payment that is made—
  - (a) by way of training grant under the “New Deal 50plus” scheme, and
  - (b) to a person as a participant in that scheme.
- (2) For this purpose the “New Deal 50plus” scheme means —
  - (a) the scheme under section 2(2) of the Employment and Training Act 1973 (c. 50) known as “New Deal 50plus”, or
  - (b) the corresponding scheme under section 1 of the Employment and Training Act (Northern Ireland) 1950 (c. 29 (N.I.)).

### 782 Payments under employment zone programme

- (1) No liability to income tax arises in respect of a payment that is made to a person as a participant in an employment zone programme.
- (2) For this purpose an “employment zone programme” means an employment zone programme established for an area or areas designated under section 60 of the Welfare Reform and Pensions Act 1999 (c. 30).

### 782A Domestic microgeneration

- (1) No liability to income tax arises in respect of income arising to an individual from the sale of electricity generated by a microgeneration system if—
  - (a) the system is installed at or near domestic premises occupied by the individual, and
  - (b) the individual intends that the amount of electricity generated by it will not significantly exceed the amount of electricity consumed in those premises.
- (2) In subsection (1)—
 

“domestic premises” means premises used wholly or mainly as a separate private dwelling, and

[<sup>F7</sup>“microgeneration system” has the same meaning as in section 263AZA of the Taxation of Chargeable Gains Act 1992.]

#### Textual Amendments

F7 Words in s. 782A(2) substituted (26.5.2015) by [Deregulation Act 2015 \(c. 20\)](#), [ss. 57\(3\)\(b\)](#), [115\(3\)\(e\)](#)

### [<sup>F8</sup>782B Renewables obligation certificates for domestic microgeneration

- (1) No liability to income tax arises in respect of the receipt by an individual of a renewables obligation certificate if—
  - (a) the individual receives the certificate in connection with the generation of electricity by a microgeneration system,
  - (b) the system is installed at or near domestic premises occupied by the individual, and
  - (c) the individual intends that the amount of electricity generated by it will not significantly exceed the amount of electricity consumed in those premises.

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(2) In subsection (1)—

“domestic premises” and “microgeneration system” have the same meaning as in section 782A, and

“renewables obligation certificate” means a certificate issued under section 32B of the Electricity Act 1989 or Article 54 of the Energy (Northern Ireland) Order 2003.]

#### Textual Amendments

**F8** S. 782B inserted (19.7.2007 with effect as stated in [s. 21\(3\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [s. 21\(1\)](#)

### [<sup>F9</sup>782C Volunteers etc: compensation for lost employment income

(1) No liability to income tax arises in respect of a payment by a relevant authority to a person if—

- (a) the person performs services for the authority for no financial benefit in a period in which he or she is also employed,
- (b) the payment is made solely to compensate the person for lost employment income for the period (and accordingly does not exceed the amount of that income), and
- (c) the person does not perform the services as the holder of an office with the authority (as to which, see section 299A of ITEPA 2003).

(2) For the purposes of subsection (1) a person performs services for no financial benefit if, at the time the payment referred to in that subsection is made, the person—

- (a) is not entitled to any payment or benefit in connection with performing the services,
- (b) has not received any such payment or benefit, and
- (c) does not expect to receive any such payment or benefit.

(3) For the purposes of subsection (2)(a), (b) and (c) disregard—

- (a) a payment in respect of reasonable expenses incurred in performing the services,
- (b) a payment compensating the person for loss of social security income arising as a result of performing the services, and
- (c) a payment to which subsection (1) applies.

(4) In subsection (1)(b) “lost employment income” means the difference between—

- (a) the amount of employment income, after deduction of tax and national insurance contributions, that the person would have received from the employment for the period if he or she had not performed the services, and
- (b) the amount of employment income, after deduction of tax and national insurance contributions, that the person did receive from the employment for the period.

(5) In this section—

“employment” has the meaning given by section 4 of ITEPA 2003;

“relevant authority” has the meaning given by section 299A of ITEPA 2003;

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“services” includes services as a juror;  
“social security income” has the meaning given by section 657 of ITEPA 2003.]

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**Textual Amendments**

**F9** S. 782C inserted (6.4.2018) by [The Enactment of Extra-Statutory Concessions Order 2018 \(S.I. 2018/282\)](#), arts. 1, **3(4)**

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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\(7\)\(a\)](#)