



Income Tax Act 2007

2007 CHAPTER 3

PART 10

SPECIAL RULES ABOUT CHARITABLE TRUSTS ETC

Restrictions on exemptions

540 The non-exempt amount

- (1) A charitable trust has a non-exempt amount for a tax year if it has—
 - (a) non-charitable expenditure for the tax year (amount A), and
 - (b) attributable income and gains for the tax year (amount B).
- (2) The non-exempt amount for the tax year is—
 - (a) amount A, or
 - (b) if less, amount B.
- (3) For the purposes of this Part—
 - (a) a charitable trust's "attributable income" for a tax year is the charitable trust's income for the tax year that is exempt from income tax as a result of any of the exemptions under this Part,
 - (b) a charitable trust's "attributable gains" for a tax year are any gains accruing to the charitable trust in the tax year that as a result of [F1section 256(1)] of TCGA 1992, are not chargeable gains, and
 - (c) a charitable trust's "attributable income and gains" for a tax year is the sum of its attributable income for the tax year and its attributable gains for the tax year.
- (4) In applying subsection (3)(a) ignore any restrictions on the exemptions under this Part which result from section 539(2).
- (5) In applying subsection (3)(b) ignore any restriction on the exemption under section 256(1) of TCGA 1992 which results from section 256(4) of that Act.

Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax Act 2007. 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](#)*

Textual Amendments

- F1** Words in s. 540(3)(b) substituted (with effect in accordance with art. 1(2) of the amending S.I.) by [Income Tax Act 2007 \(Amendment\) \(No.3\) Order 2007 \(S.I. 2007/3506\)](#), arts. 1(1), **3(3)**

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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. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)