STATUTORY INSTRUMENTS

# 1990 No. 626

# INCOME TAX

## The Income Tax (Purchased Life Annuities) (Amendment) Regulations 1990

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| *Made - - - -* | *14th March 1990* |
| *Coming into force* | *6th April 1990* |

The Commissioners of Inland Revenue, in exercise of the powers conferred on them by section 658(3) of the Income and Corporation Taxes Act 1988(**a**), hereby make the following Regulations:

**Citation and Commencement**

**1.** These Regulations may be cited as the Income Tax (Purchased Life Annuities) (Amendment) Regulations 1990 and shall come into force on 6th April 1990.

**Interpretation**

**2.** In these Regulations "the Principal Regulations" means the Income Tax (Purchased Life Annuities) Regulations 1956(**b**) and "regulation" means a regulation of, and "the Schedule" means the Schedule to, the Principal Regulations.

**Amendments to the Principal Regulations**

**3.**—(1) Regulation 19 shall be renumbered as paragraph (1) of that regulation.

(2) In that regulation as so renumbered after the word "Where" there shall be inserted the words "this paragraph applies and".

(3) After that regulation as so renumbered there shall be added–

"(2) Paragraph (1) of this regulation applies in relation to the repaying or charging of tax in respect of any payment or part of any payment on account of an annuity which, by virtue of section 279 of the Income and Corporation Taxes Act 1988(**c**) as it has effect for years of assessment before 1990–91, is deemed to be the income of her husband or would have been so deemed but for the operation of section 656(1) of that Act.".

**4.** In regulation 21 after the word "or," there shall be inserted–
"in respect of years of assessment before 1990–91,".

**5.** The Schedule shall have effect in respect of claims under regulation 4 which are made on or after 6th April 1990 with the following amendments–

(a) in paragraph 6, the omission of the words "and, if the annuitant is a married woman, the name of her husband"; and

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(**a**) 1988 c.1.
(**b**) S.I. 1956/1230, amended by the Income Tax (Purchased Life Annuities) (Amendment) Regulations 1960 (S.I. 1960/2308).
(**c**) Section 279 was repealed by section 32 of, and Part VIII of Schedule 14 to, the Finance Act 1988 (c.39) for the year 1990–91 and subsequent years of assessment.

(b) in paragraph 7, the omission of the words ", or of the husband of an annuitant who is a married woman,".

*A. J. G. Isaac*
*L. J. H. Beighton*
14th March 1990 Two of the Commissioners of Inland Revenue

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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Income Tax (Purchased Life Annuities) Regulations 1956 (S.I. 1956/1230) ("the Principal Regulations"), as amended by S.I. 1960/2308, and come into force on 6th April 1990.

The amendments are consequent on the abolition by section 32 Finance Act 1988, with effect for the year 1990–91 and subsequent years of assessment, of the aggregation for income tax purposes of the income of married couples living together. Section 32 provides that section 279 of the Income and Corporation Taxes Act ("the Act") (which treats the income of a woman living with her husband as his income for income tax purposes) shall not have effect for the year 1990–91 or any subsequent year of assessment.

Regulation 1 provides for citation and commencement and regulation 2 contains definitions.

Regulation 3 amends regulation 19 of the Principal Regulations which provides that, where the payee is a married woman living with her husband, any reference in the Principal Regulations to repaying tax to or charging tax on the payee of an annuity shall, unless an application for separate assessment under what is now section 283(1) of the Act is in force, be read as requiring tax to be repaid to, or charged on, her husband. The amendments limit the application of the regulation to any payment or any part of any payment on account of an annuity which is deemed, by virtue of section 279 of the Act as it has effect for years of assessment before 1990–91, to be the income of her husband or would have been but for being treated as a capital element of an annuity by virtue of section 656(1) of the Act.

Regulation 4 amends regulation 21 of the Principal Regulations to exclude adjustments to a husband's total income in respect of the years 1990–91 and subsequent years of assessment to take account of repayments of tax to his wife.

Regulation 5 amends the Schedule to the Principal Regulations to remove the obligation upon a married woman who is living with her husband to give particulars of her husband's name and occupation when making a claim under regulation 4 of the Principal Regulations on or after 6th April 1990.

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