

Charge to tax of income from which tax has been deducted. FA74 s4; CTA76 s140(1) and Sch2 Ptl par41 and s164 and Sch3 Ptl; FA96 s132(2) and Sch5 PtlI 59.—Where income (in this section referred to as “the relevant income”)—

(a) from which tax is deductible by virtue of Schedule C or D, or

(b) from which tax is deductible by virtue of section 237 or 238,

is to be taken into account in computing the total income of an individual for any year of assessment, then, for the purpose of charging that total income to tax at the rate or rates of tax charged for that year of assessment, the following provisions shall apply:

(i) the relevant income shall be regarded as income chargeable to tax under Case IV of Schedule D and shall be charged accordingly, and

(ii) in determining the amount of tax payable on that total income, credit shall be given for the tax deducted from the relevant income and the amount of the credit shall be the amount of tax deducted from the relevant income.