

Deduction for income earned outside the State. FA94 s154; FA95 s170(1) 823.—(1) In this section—

“qualifying day”, in relation to an office or employment of an individual, means a day which is—

(a) one of at least 14 consecutive days on which the individual is absent from the State for the purposes of the performance of the duties of the office or employment or of those duties and the duties of other offices or employments of the individual outside the State and which (taken as a whole) are substantially devoted to the performance of such duties, and

(b) one on which the individual concerned is absent from the State at the end of the day,

but no day shall be counted more than once as a qualifying day;

“relevant period”, in relation to a year of assessment, means a continuous period of 12 months—

(a) part only of which is comprised in the year of assessment, and

(b) no part of which is comprised in another relevant period;

“the specified amount” means an amount determined by the formula—

$$D \times E \div 365$$

where—

D is the number of qualifying days in the year of assessment concerned, and

E is all the income, profits or gains from an office, employment or pension whether chargeable under Schedule D or E (including income from offices or employments the duties of which are performed in the State) of an individual in that year.

(2) (a) Subject to paragraph (b), this section shall apply to—

(i) an office of director of a company which is within the charge to corporation tax, or would be within the charge to corporation tax if it were resident in the State, and which carries on a trade or profession,

(ii) an employment other than—

(I) an employment the emoluments of which are paid out of the revenue of the State, or

(II) an employment with any board, authority or other similar body established by or under statute.

(b) This section shall not apply in any case where the income from an office or employment—

(i) is chargeable to tax in accordance with section 71 (3),

(ii) is subject to section 73, or would be so subject if the employment were deemed to be property situated where the employment is exercised, or

(iii) is income to which section 822 applies.

(3) Where for any year of assessment an individual resident in the State makes a claim in that behalf to and satisfies an authorised officer that—

(a) the duties of an office or employment to which this section applies of the individual are performed wholly or partly outside the State, and

(b) either—

(i) the number of days in that year which are qualifying days in relation to the office or employment (together with any days which are qualifying days in relation to any other such office or employment of the individual), or

(ii) the number of such days referred to in subparagraph (i) in a relevant period in relation to that year,

amounts to at least 90 days,

there shall be deducted from the income, profits or gains from the office or employment to be assessed under Schedule D or E, as may be appropriate, an amount equal to the specified amount.

(4) Notwithstanding anything in the Acts, the income, profits or gains from an office or employment shall for the purposes of this section be deemed not to include any amounts paid in respect of expenses incurred wholly, exclusively and necessarily in the performance of the duties of the office or employment.