

Assessments for withdrawing relief. FA84 s23; FA93 s25(i)(i); FA95 s17(1)(i) 504.—(1) Where any relief has been given which is subsequently found not to have been due, that relief shall be withdrawn by the making of an assessment to income tax under Case IV of Schedule D for the year of assessment for which the relief was given.

(2) Where any relief given in respect of shares for which either a married person or his or her spouse has subscribed, and which were issued while the married person was assessed in accordance with section 1017, is to be withdrawn by virtue of a subsequent disposal of those shares by the person who subscribed for them and at the time of the disposal the married person is not so assessable, any assessment for withdrawing that relief shall be made on the person making the disposal and shall be made by reference to the reduction of tax flowing from the amount of the relief regardless of any allocation of that reduction under subsections (2) and (3) of section 1024 or of any allocation of a repayment of income tax under section 1020.

(3) Subject to this section, any assessment for withdrawing relief which is made by reason of an event occurring after the date of the claim may be made within 10 years after the end of the year of assessment in which that event occurs.

(4) No assessment for withdrawing relief in respect of shares issued to any person shall be made by reason of any event occurring after his or her death.

(5) Where a person has, by a disposal or disposals to which section 498 (1)(b) applies, disposed of all the ordinary shares issued to the person by a company, no assessment for withdrawing relief in respect of any of those shares shall be made by reason of any subsequent event unless it occurs at a time when the person is connected with the company within the meaning of section 493.

(6) Subsection (3) is without prejudice to section 924(2)(c).

(7) In its application to an assessment made by virtue of this section, section 1080 shall apply as if the date on which the income tax charged by the assessment becomes due and payable were—

(a) in the case of relief withdrawn by virtue of section 493, 495, 496, 498 or 501 (1) in consequence of any event after the grant of the relief, the date of that event;

(b) in the case of relief withdrawn by virtue of section 498 (1) in consequence of a disposal after the grant of the relief, the date of the disposal;

(c) in the case of relief withdrawn by virtue of section 499 in consequence of a receipt of value after the grant of the relief, the date of the receipt;

(d) in the case of relief withdrawn by virtue of section 502—

(i) in so far as effect has been given to the relief in accordance with regulations under section 986, the 5th day of April in the year of assessment in which effect was so given, and

(ii) in so far as effect has not been so given, the date on which the relief was granted;

(e) in the case of relief withdrawn by virtue of—

(i) a specified individual failing or ceasing to hold a relevant employment, or

(ii) an individual ceasing to be a specified individual, the date of the failure or the cessation, as the case may be.

(8) For the purposes of subsection (7), the date on which the relief shall be granted is the date on which a repayment of tax for giving effect to the relief was made or, if there was no such repayment, the date on which the inspector issued a notice to the claimant showing the amount of tax payable after giving effect to the relief.