

Charge to income tax or corporation tax of offshore income gain. FA90 s67 745.—(1) Where a disposal to which this Chapter applies gives rise, in accordance with Schedule 20, to an offshore income gain, then, subject to this section, the amount of that gain shall be treated for the purposes of the Tax Acts as—

(a) income arising at the time of the disposal to the person making the disposal, and

(b) constituting profits or gains chargeable to tax under Case IV of Schedule D for the chargeable period (2)) in which the disposal is made.

(2) Subject to subsection (3), sections 25 (2)(b), 29 and 30 shall apply in relation to income tax or corporation tax in respect of offshore income gains as they apply in relation to capital gains tax or corporation tax in respect of chargeable gains.

(3) In the application of sections 29 and 30 in accordance with subsection (2), section 29 (3)(c) shall apply with the deletion of “situated in the State”.

(4) In the case of individuals resident or ordinarily resident but not domiciled in the State, subsections (4) and (5) of section 29 shall apply in relation to income tax chargeable by virtue of subsection (1) on an offshore income gain as they apply in relation to capital gains tax in respect of gains accruing to such individuals from the disposal of assets situated outside the State.

(5) (a) In this subsection, “charity” has the same meaning as in section 208, and “market value” shall be construed in accordance with section 548.

(b) A charity shall be exempt from tax in respect of an offshore income gain if the gain is applicable and applied for charitable purposes; but, if the property held on charitable trusts ceases to be subject to charitable trusts and that property represents directly or indirectly an offshore income gain, the trustees shall be treated as if they had disposed of and immediately reacquired that property for a consideration equal to its market value, any gain ) accruing being treated as an offshore income gain not accruing to a charity.

(6) In any case where—

(a) a disposal to which this Chapter applies is a disposal of settled property within the meaning of the Capital Gains Tax Acts, and

(b) for the purposes of the Capital Gains Tax Acts, the general administration of the trusts is ordinarily carried on outside the State and the trustees or a majority of them for the time being are not resident or not ordinarily resident in the State,

then, subsection (1) shall not apply in relation to any offshore income gain to which the disposal gives rise.