

INCOME TAX ON ANNUITIES.

To the Editor of the Journal of the Institute of Actuaries.

DEAR SIR,—Referring to the report of the case of *Gresham Life Assurance Society v. Styles*, recently published in the *Journal (J.I.A., xxx, 318)*, I have now the pleasure to communicate an extract from the last published report of this society, supplementing the information given in your report, and setting forth the decision at which the Revenue Authorities have arrived as to the bearing of § 24 (3) of “The Customs and Inland Revenue Act, 1888” (51 & 52 Vict. cap. 8), upon the case of annuities payable to persons resident abroad.

I am, dear Sir,

Yours faithfully,

St. Mildred's House,

Poultry, E.C.,

22 September 1893.

THOMAS G. ACKLAND.

Extract from Report of Directors of the GRESHAM LIFE ASSURANCE SOCIETY, dated 30 May 1893.

“The Judgment of the House of Lords applied solely to the assessments made and tax paid up to 5th April 1888. In that year an Act was passed providing that the grantors of ‘annuities charged with income tax under Schedule D and not payable or not wholly payable out of profits or gains brought into charge to such tax’, should be accountable to the Crown in respect of the income tax on such annuities. The Directors have lately been in communication with the Revenue Authorities with reference to the position taken up by the Legal Advisers of the Society, that annuities granted to persons residing abroad are not within the scope of this enactment. The Directors have the satisfaction to report that the Revenue Authorities have lately expressed their acquiescence in this view. The Society is consequently exempted from the liability to account to the Crown for income tax in respect of these annuities, and will continue to pay these annuities without any deduction for income tax.”
