
38 Limited exemption from income tax for sporting testimonial payments

After section 306A of ITEPA 2003 (exemption for carers) insert—

“Professional sportsmen and sportswomen

306B Professional sportsmen and sportswomen: limited exemption for sporting testimonial payments

- (1) This section applies to any sporting testimonial payments which are—
 - (a) made out of the proceeds of a sporting testimonial (“the sporting testimonial”), and
 - (b) treated by virtue of section 226E as earnings of a person (“S”).
- (2) No liability to income tax in respect of earnings arises by virtue of section 226E in relation to sporting testimonial payments to which this section applies.
- (3) Subsection (2) only applies subject to and in accordance with the following provisions.
- (4) It does not apply where S has already benefitted from an exemption under this section in relation to sporting testimonial payments paid out of the proceeds of another sporting testimonial.
- (5) It only applies to the first £50,000 of sporting testimonial payments made out of the proceeds of the sporting testimonial.
- (6) If sporting testimonial payments are made out of the proceeds of the sporting testimonial in two or more tax years, any part of the exempt amount that is not used in the first of those years is to be carried forward to the next tax year (and so on).
- (7) Where the sporting testimonial consists of a series of events or activities taking place over more than a year, it only applies to sporting testimonial payments made out of the proceeds of events or activities taking place within the period of one year beginning with—
 - (a) where the day on which the first of those events or activities took place is after 5 April 2017, that day, or
 - (b) where that day is on or before 5 April 2017, 6 April 2017.”
- (8) This section applies to sporting testimonial payments made to or to the order of the personal representatives of S (where S has died) but only if the payments are made within the period of 12 months beginning with the date of death.
- (9) Terms used in this section and section 226E have the same meaning as in that section.”