

*Changes to legislation:* There are outstanding changes not yet made by the legislation.gov.uk editorial team to Taxes Management Act 1970. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

## SCHEDULES

### [<sup>F1</sup>SCHEDULE 1B

#### CLAIMS FOR RELIEF INVOLVING TWO OR MORE YEARS

##### Textual Amendments

- F1** Sch. 1B inserted (with effect in accordance with s. 128(11) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 128\(2\)](#), [Sch. 17](#)

##### *Relief for fluctuating profits of farming etc.*

- 3 (1) This paragraph applies where a person who is or has been carrying on [<sup>F2</sup>a qualifying trade, profession or vocation (within the meaning of Chapter 16 of Part 2 of ITTOIA 2005) claims that Chapter 16 of Part 2 of ITTOIA 2005] shall have effect in relation to his profits from that trade[<sup>F3</sup>, profession or vocation]
- [ in the case of a two-year claim, for two consecutive years of assessment, and  
<sup>F4</sup>(a)  
(b) in the case of a five-year claim, for five consecutive years of assessment.]
- (2) The claim shall relate to [<sup>F5</sup>the last of the two or five years].
- (3) Subject to sub-paragraph (4) below, in so far as the claim relates to the profits of [<sup>F6</sup>an earlier year], the claim shall be for an amount equal to the difference between—
- (a) the amount in which the person is chargeable to tax for the earlier year (“amount A”); and
- (b) the amount in which he would be so chargeable on the assumption that effect could be, and were, given to the claim in relation to that year (“amount B”).
- (4) Where effect has been given to one or more associated claims, amounts A and B above shall each be determined on the assumption that effect could have been, and had been, given to the associated claim or claims in relation to the earlier year.
- (5) In so far as the claim relates to the profits of [<sup>F7</sup>an earlier year], effect shall be given to the claim in relation to [<sup>F8</sup>the last of the two or five years] by an increase in the amount of tax payable or, as the case may require, in the aggregate amount given by section 59B(1)(b) of this Act.
- (6) Where this paragraph applies twice in relation to the same year of assessment, the increase or reduction in the amount of tax payable for that year which is required by sub-paragraph (5) above on the earlier application shall be disregarded in determining amounts A and B above for the purposes of the later application.
- [ In this paragraph—
- <sup>F9</sup>(7) “two-year claim” means a claim under section 222 of ITTOIA 2005;  
“five-year claim” means a claim under section 222A of ITTOIA 2005.]]

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### Textual Amendments

- F2** Words in Sch. 1B para. 3(1) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 382\(3\)\(a\)](#) (with [Sch. 2](#))
- F3** Words in Sch. 1B para. 3(1) inserted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 382\(3\)\(b\)](#) (with [Sch. 2](#))
- F4** Words in Sch. 1B para. 3(1) substituted (with effect in accordance with s. 25(12) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 25\(10\)\(a\)](#)
- F5** Words in Sch. 1B para. 3(2) substituted (with effect in accordance with s. 25(12) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 25\(10\)\(b\)](#)
- F6** Words in Sch. 1B para. 3(3) substituted (with effect in accordance with s. 25(12) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 25\(10\)\(c\)](#)
- F7** Words in Sch. 1B para. 3(5) substituted (with effect in accordance with s. 25(12) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 25\(10\)\(d\)\(i\)](#)
- F8** Words in Sch. 1B para. 3(5) substituted (with effect in accordance with s. 25(12) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 25\(10\)\(d\)\(ii\)](#)
- F9** Sch. 1B para. 3(7) inserted (with effect in accordance with [s. 25\(12\)](#) of the amending Act) by [Finance Act 2016 \(c. 24\), s. 25\(10\)\(e\)](#)

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### Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket Amendment words substituted by [2005 c. 4 Sch. 11 para. 5](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 12ABZAA(5)(a) words substituted by [2017 c. 32, Sch. 14 para. 10BA\(3\)\(a\)](#) (as inserted) by [2020 c. 14 s. 104\(4\)](#)
- s. 12ABZAA(5)(b) words substituted by [2017 c. 32, Sch. 14 para. 10BA\(3\)\(b\)](#) (as inserted) by [2020 c. 14 s. 104\(4\)](#)
- s. 7(1BA) words substituted by [2017 c. 32 Sch. 14 para. 2\(3\)](#)
- s. 8(1AB)-(1AD) inserted by [2017 c. 32 Sch. 14 para. 3\(5\)](#)
- s. 8(1HA) inserted by [2017 c. 32 Sch. 14 para. 3\(11\)](#)
- s. 8A(1)(1ZA) substituted for s. 8A(1) by [2017 c. 32 Sch. 14 para. 4\(3\)](#)
- s. 8A(1AB)-(1AD) inserted by [2017 c. 32 Sch. 14 para. 4\(5\)](#)
- s. 8A(1FA) inserted by [2017 c. 32 Sch. 14 para. 4\(9\)](#)
- s. 8A(6)(7) inserted by [2017 c. 32 Sch. 14 para. 4\(12\)](#)
- s. 12B(1)(1A) substituted for s. 12B(1) by [2017 c. 32 Sch. 14 para. 14\(2\)](#)
- s. 12B(2ZA)(2ZB) inserted by [2017 c. 32 Sch. 14 para. 14\(4\)](#)
- s. 12C and cross-heading inserted by [2017 c. 32 s. 60\(2\)](#)
- s. 12AC(1)(aa) inserted by [2017 c. 32 Sch. 14 para. 13\(2\)\(c\)](#)
- s. 12AC(7)(a) words inserted by [2017 c. 32 Sch. 14 para. 13\(3\)\(b\)](#)
- s. 12AC(7)(a) words renumbered as s. 12AC(7)(a) by [2017 c. 32 Sch. 14 para. 13\(3\)\(a\)](#)
- s. 12AC(7)(b) inserted by [2017 c. 32 Sch. 14 para. 13\(3\)\(c\)](#)
- s. 12ABA(5) inserted by [2017 c. 32 Sch. 14 para. 11\(4\)](#)
- s. 28ZA(6)(c) inserted by [2017 c. 32 Sch. 14 para. 15\(b\)](#)
- s. 29(6)(aa) inserted by [2017 c. 32 Sch. 14 para. 20\(3\)](#)
- s. 29(7)(a)(ia) omitted by [2019 c. 1 Sch. 2 para. 25\(6\)](#)
- s. 46B(5)(f) and word inserted by [2009 c. 4 Sch. 1 para. 303](#)
- s. 49E(5A) inserted by [2021 c. 26 Sch. 27 para. 4](#)
- s. 49EA inserted by [2021 c. 26 Sch. 27 para. 5](#)
- s. 49FA inserted by [2021 c. 26 Sch. 27 para. 6](#)
- s. 61(1A) inserted by [2007 c. 15 Sch. 13 para. 33\(3\)](#)
- s. 61(1A) omitted by [2008 c. 9 Sch. 43 para. 1\(3\)](#)
- s. 63(2)(aa) inserted by [2007 asp 3 Sch. 5 para. 9\(2\)](#)
- s. 69(1)(aa) inserted by [2021 c. 26 Sch. 27 para. 7\(a\)](#)
- s. 103ZA(m)-(o) inserted by [2021 c. 26 Sch. 27 para. 8\(b\)](#)
- s. 107A(3)(e) inserted by [2021 c. 26 Sch. 27 para. 9\(3\)\(c\)](#)
- Sch. A1 amendment to earlier affecting provision [2017 c. 32, s. 60](#) by [2018 c. 3 Sch. 6 para. 7\(2\)\(a\)](#)
- Sch. A1 amendment to earlier affecting provision [2017 c. 32, s. 60](#) by [2018 c. 3 Sch. 6 para. 7\(2\)\(b\)](#)
- Sch. A1 inserted by [2017 c. 32 s. 60\(3\)](#)