

*These notes refer to the Income Tax (Trading and Other Income)
Act 2005 (c.5) which received Royal Assent on 24 March 2005*

INCOME TAX (TRADING AND OTHER INCOME) ACT 2005

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 2: Trading income

Chapter 17: Adjustment income

Section 239: Election to accelerate charge under section 238

972. This section sets out the election that is available if adjustment income is spread under section 238. A taxpayer may choose to have any part of the outstanding adjustment income taxed earlier than would otherwise be the case. The section is based on paragraph 12 of Schedule 22 to FA 2002.
973. *Subsection (2)* sets out the usual Self Assessment time limit for an election.
974. The effect of an election is set out in paragraph 12(4) of Schedule 22 to FA 2002. It is not clear what the “additional amount” referred to in the sub-paragraph is. In some cases more than the total adjustment income could be charged to tax within the period of ten years over which it is spread. *Subsection (4)* of this section sets out the effect of an election. See *Change 62* in Annex 1.