

*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 5: Trade profits: rules allowing deductions

Section 89: Expenses connected with patents

362. This section allows a deduction for expenses connected with patents. It is based on section 83 of ICTA.
363. *Subsection (1)* sets out the expenses that are allowable. The deduction is on the basis of expenses incurred. This relaxes any requirement in the source legislation that fees have to be paid before a deduction can be made. See *Change 23* in Annex 1.
364. *Subsection (2)* establishes that the rule in this section is an exception to the general rule in section 56.