

*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 3: Property income

Chapter 1: Introduction

Section 260: Overview of Part 3

1034. This section is introductory. It is new.
1035. *Subsection (1)* sets out the components of “property income”.
1036. *Subsection (1)(a)* refers to the main component. That is income from land that is taxed in the source legislation under Schedule A if it is land in the United Kingdom and under Schedule D Case V if it is foreign land. Central to the charge is the concept of the “property business”. That is discussed in more detail in the commentary on sections 264 and 265.
1037. *Subsection (1)(e)* refers to post-cessation receipts of a UK property business. In the source legislation they are charged under Schedule D Case VI. This Act deals with the income where it logically belongs. In this case, the income is property income.