

*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 5: Miscellaneous income

Chapter 2: Receipts from intellectual property

Section 592: Further provision about elections for spreading: instalments

2306. This section sets out how non-UK residents are taxed on capital sums from the sale of patent rights where the sale proceeds are received in instalments. It is based on sections 69 and 524 of ICTA.
2307. *Subsection (2)* sets out the rule for making an election for spreading where sale proceeds are received in instalments. This makes explicit in the section what was implicit in the source legislation.
2308. *Subsection (3)* contains the time limit for making an election under subsection (2). The reference in section 524(4) of ICTA to “the Board” has not been reproduced. Section 878(4) of this Act draws attention to the rules in TMA, which apply for the purposes of this Act. Those rules require elections to be made to “an officer of the Board”. See *Change 149* in Annex 1.