

*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 7: Income charged under this Act: rent-a-room and foster-care relief

Chapter 1: Rent-a-room relief

Section 788: Meaning of “total rent-a-room amount”

2947. This section introduces and defines a key rent-a-room term: “total rent-a-room amount”. It is based on paragraphs 9 and 11 of Schedule 10 to F(No 2)A 1992.
2948. The term “total rent-a-room amount” is new. It sets out how the amount of income to be compared with the limit is calculated. The level of an individual’s “total rent-a-room amount” determines which form of rent-a-room relief the individual is entitled to: the full relief or the alternative method of calculation.
2949. *Subsection (1)(b)* includes any relevant balancing charges in the “total rent-a-room amount” to remove an anomaly in the source legislation. See *Change 130* in Annex 1.