

*These notes refer to the Corporation Tax Act 2009  
(c.4) which received Royal Assent on 26 March 2009*

# **CORPORATION TAX ACT 2009**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 3: Trading income**

##### **Overview**

#### **Chapter 8: Trade profits: herd basis rules**

##### **Overview**

#### **Section 123: Five year gap in which no production herd kept**

477. This section deals with the case where there is a period of at least five years when the farmer does not keep a production herd of the particular class for which a herd basis election has been made. It is based on paragraph 4 of Schedule 5 to ICTA. The corresponding rule for income tax is in section 125 of ITTOIA.
478. *Subsection (2)* explains the consequences for the herd basis rules if the farmer starts to keep another production herd of the same class after the end of the five year period. *Subsection (2)* enacts an extra-statutory practice. See *Change 32* in Annex 1. This Change reproduces Change 36 in ITTOIA.