

*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 800: Election for alternative method of calculating profits

2980. This section provides a rule that allows a taxpayer to choose the alternative method of calculation if he or she qualifies. It is based on paragraph 12 of Schedule 10 to F(No 2)A 1992.
2981. This section follows the approach of the source legislation in making an election necessary in order to benefit from the alternative method of calculation. That is because this form of the relief is likely to apply to larger, more complex cases. Whether or not the relief is beneficial in these cases will depend on the particular circumstances.
2982. *Subsection (5)* converts references, in the source legislation, to the Board of Inland Revenue and to an officer of the Board of Inland Revenue into references to the Inland Revenue. See *Change 149* in Annex 1.
2983. Subsection (5)(a) expresses the time limit by reference to the normal Self Assessment rules.