

SCHEDULES

SCHEDULE 15

ACCOUNTANCY CHANGE: SPREADING OF ADJUSTMENT

PART 2

CORPORATION TAX

Application of provisions to partnerships

- 15 (1) This paragraph applies where the business is carried on by the company in partnership.
- (2) The amounts chargeable to tax under this Part of this Schedule are calculated as if the partnership were a company resident in the United Kingdom.
- (3) The company's share of any such amount is determined by reference to the profit-sharing arrangements for the previous accounting period.

An election under paragraph 13 (election to accelerate charge) must be made jointly by all the persons who have been members of the partnership in the previous accounting period and are chargeable to corporation tax.

- (4) If paragraph 12(2) applies (effect of cessation of business), each partner's share of any amount charged to tax on or after the cessation is determined as follows—
- (a) if the cessation occurs on the date on which the change of accounting approach was adopted, according to the profit-sharing arrangements for the twelve months ending immediately before that date;
 - (b) if the cessation occurs after that date, but on or before the first anniversary of that date, according to the profit-sharing arrangements for the period between that date and the date of cessation;
 - (c) if the cessation occurs after the first anniversary of the date on which the change of accounting approach was adopted, according to the profit-sharing arrangements for the period between the immediately preceding anniversary of that date and the date of cessation.

An election under paragraph 13 after the cessation must be made by each former partner separately.

- (5) For the purposes of this paragraph “profit-sharing arrangements” means the rights of the partners to share in the profits of the business for the period in question.
- (6) A change in the persons carrying on a business does not constitute the permanent cessation of the business for the purposes of this Part of this Schedule so long as a person carrying on the business immediately before the change continues to carry on the business immediately after the change.

Status: This is the original version (as it was originally enacted).

- (7) In the case of a business carried on by a limited liability partnership the operation of this Part of this Schedule is not affected by the partnership's ceasing to be one carrying on a trade, profession or other business with a view to profit.
- (8) Nothing in this paragraph shall be read as affecting the operation of—
- (a) paragraph 19 of Schedule 9 to FA 1996 (loan relationships), or
 - (b) paragraph 49 of Schedule 26 to FA 2002 (derivative contracts),
- (under which certain debits and credits are not to be brought into account as if the partnership were a company).