

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

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3: Trading income

Overview

Chapter 5: Trade profits: rules allowing deductions

Overview

Section 80: Application of section 79 in cases involving partnerships

316. This section clarifies what happens on a change of partnership. It is based on sections 90 and 114 of ICTA. The corresponding rule for income tax is in section 79A of ITTOIA (inserted by Schedule 1 to this Act).
317. Section 90(3) of ICTA refers to the “discontinuance” of a trade. That word has to be interpreted in the light of sections 114 and 337 of ICTA: the trade is not treated as discontinued unless there is a complete change in the companies carrying it on.
318. A redundancy payment is not disallowable solely on account of a partial change of companies carrying on a trade. This section puts it beyond doubt that a partial change of companies carrying on a trade does not count as a cessation.