



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 4

#### LOSS RELIEF

### CHAPTER 2

#### TRADE LOSSES

##### *Restrictions on relief: farming or market gardening*

#### **48 Farming or market gardening**

- (1) This section applies if a loss is made in a trade of farming or market gardening in an accounting period (“the current period”).
- (2) Relief under section 37 is not available for the loss if a loss, calculated without regard to capital allowances, was made in the trade—
  - (a) in the current period, and
  - (b) in each accounting period falling wholly or partly within the period of 5 years (“the prior 5 years”) ending immediately before the current period begins.
- (3) But this section does not prevent relief for the loss from being available if—
  - (a) the carrying on of the trade forms part of, and is ancillary to, a larger trading undertaking,
  - (b) the farming or market gardening activities meet the reasonable expectation of profit test (see section 49), or
  - (c) the trade was started, or treated as started, during the prior 5 years (see section 50).
- (4) A loss in a trade is calculated without regard to capital allowances by ignoring—
  - (a) the allowances treated as expenses of the trade under CAA 2001, and

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**Changes to legislation:** There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 48. (See end of Document for details)

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- (b) the charges treated as receipts of the trade under CAA 2001.

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 48.