
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Cross Heading: Rules allowing deductions. (See end of Document for details)

SCHEDULES

SCHEDULE 4

CASH BASIS FOR SMALL BUSINESSES

PART 1

MAIN PROVISIONS

Rules allowing deductions

- 12 Chapter 5 (trade profits: rules allowing deductions) is amended as follows.
13 After section 56 insert—

“Cash basis accounting

56A Application of Chapter to the cash basis

- (1) The following sections do not apply in calculating the profits of a trade on the cash basis—
sections 60 to 67 (tenants under taxed leases),
section 68 (replacement and alteration of trade tools).
- (2) For rules allowing deductions that apply only where profits are calculated on the cash basis, see the following—
section 57B (cash basis: interest payments on loans).
- (3) In calculating the profits of a trade on the cash basis, any reference in this Chapter to the incurring of expenses is to be read as a reference to the paying of expenses.”

^{F1}14

Textual Amendments

- F1** Sch. 4 para. 14 omitted (with effect for the tax year 2024-25 and subsequent tax years) by virtue of Finance Act 2024 (c. 3), Sch. 10 paras. 46(a), 47 (with Sch. 10 paras. 48-50)

^{F2}15

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Cross Heading: Rules allowing deductions. (See end of Document for details)

Textual Amendments

F2 Sch. 4 para. 15 omitted (with effect for the tax year 2024-25 and subsequent tax years) by virtue of Finance Act 2024 (c. 3), **Sch. 10 paras. 46(a), 47** (with Sch. 10 paras. 48-50)

- 16 In section 72 (payroll deduction schemes: contributions to agents' expenses), after subsection (2) insert—
- “(2A) In calculating the profits of the employer's trade on the cash basis, subsection (2) has effect as if paragraph (b) were omitted.”
- 17 In section 94A (costs of setting up SAYE option scheme or CSOP scheme), after subsection (4) insert—
- “(5) But subsection (4) does not apply in calculating the profits of a trade on the cash basis.”

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2013, Cross Heading:
Rules allowing deductions.