

SCHEDULES

SCHEDULE 10

CALCULATION OF TRADE PROFITS ETC

PART 2

MINOR AND CONSEQUENTIAL AMENDMENTS

CHAPTER 2

AMENDMENTS OF OTHER ACTS

TMA 1970

- 36 In section 42(7)(e) of TMA 1970 (procedure for making claims etc), for “25A” substitute “25C”.

TCGA 1992

- 37 In section 41(9)(a) of TCGA 1992 (restriction of losses by reference to capital allowances and renewals allowances), for the words from “calculating”, in the second place it occurs, to “effect” substitute “be construed in accordance with Part 2 of ITTOIA 2005 (see [section 24A](#) of that Act)”.

CAA 2001

- 38 CAA 2001 is amended as follows.
- 39 (1) Section 1A (capital allowances and charges: cash basis) is amended as follows.
- (2) In subsection (9)—
- (a) in paragraph (a), for “an election under section 25A of ITTOIA 2005 (cash basis for trades) has effect” substitute “the cash basis applies”;
 - (b) in paragraph (b), for “no such election has effect” substitute “the cash basis did not apply”.
- (3) In subsection (11)—
- (a) before paragraph (a) insert—
 - “(za) references to a trade, profession or vocation in relation to which the cash basis applies are to a trade, profession or vocation the profits of which are required by virtue of [section 24A\(1\)](#) of ITTOIA 2005 to be calculated on the cash basis.”;

Status: This is the original version (as it was originally enacted).

- (b) in paragraph (a), for the words from “calculating”, in the second place it occurs, to “effect” substitute “doing so in accordance with [section 24A](#) of ITTOIA 2005”.
- 40 In section 4(2ZA)(a) (capital expenditure)—
- (a) for “an election under section 25A of ITTOIA 2005 has effect” substitute “the cash basis applies”;
- (b) at the end insert “(see [section 24A](#) of ITTOIA 2005)”.
- 41 In section 66A(6) (persons leaving cash basis)—
- (a) in paragraph (a), for “an election under section 25A had effect” substitute “the cash basis applied”;
- (b) in paragraph (b), for “such an election does not have effect” substitute “the cash basis does not apply”.
- 42 (1) Section 431D (persons leaving cash basis) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (b), for “an election under section 25A of ITTOIA 2005 (cash basis for trades) has effect” substitute “the cash basis applies”;
- (b) in paragraph (d), for “an election under section 25A of that Act had not had effect” substitute “the cash basis had not applied”.
- (3) In subsection (4)—
- (a) in paragraph (a), for “an election under section 25A of ITTOIA 2005 had effect” substitute “the cash basis applied”;
- (b) in paragraph (b), for “such an election does not have effect” substitute “the cash basis does not apply”.
- (4) After subsection (4) insert—
- “(4A) Subsection (11)(za) of section 1A (capital allowances and charges: cash basis) applies for the purposes of this section as it applies for the purposes of that section.”
- 43 (1) Section 462A (persons leaving cash basis) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (b), for “an election under section 25A of ITTOIA 2005 (cash basis for trades) has effect” substitute “the cash basis applies”;
- (b) in paragraph (d), for “an election under section 25A of that Act had not had effect” substitute “the cash basis had not applied”.
- (3) In subsection (5)—
- (a) in paragraph (a), for “an election under section 25A of ITTOIA 2005 had effect” substitute “the cash basis applied”;
- (b) in paragraph (b), for “such an election does not have effect” substitute “the cash basis does not apply”.
- (4) After subsection (4) insert—
- “(4A) Subsection (11)(za) of section 1A (capital allowances and charges: cash basis) applies for the purposes of this section as it applies for the purposes of that section.”
- 44 (1) Section 477A (persons leaving cash basis) is amended as follows.

- (2) In subsection (1)—
- (a) in paragraph (b), for “an election under section 25A of ITTOIA 2005 (cash basis for trades) has effect” substitute “the cash basis applies”;
 - (b) in paragraph (d), for “an election under section 25A of that Act had not had effect” substitute “the cash basis had not applied”.
- (3) In subsection (5)—
- (a) in paragraph (a), for “an election under section 25A of ITTOIA 2005 had effect” substitute “the cash basis applied”;
 - (b) in paragraph (b), for “such an election does not have effect” substitute “the cash basis does not apply”.
- (4) After subsection (5) insert—
- “(5A) Subsection (11)(za) of section 1A (capital allowances and charges: cash basis) applies for the purposes of this section as it applies for the purposes of that section.”

ITA 2007

- 45 (1) ITA 2007 is amended as follows—
- (2) In section 64(8) (deduction of losses from general income), omit paragraph (bb).
 - (3) In section 72(5) (relief for individuals for losses in first 4 years of trade), omit paragraph (bb).

Consequential repeals

- 46 In consequence of the repeals made by this Schedule, omit the following provisions (which insert or amend provisions repealed by this Schedule)—
- (a) in Part 1 of Schedule 4 to FA 2013, paragraphs 3, 4, 10, 14, 15 and 39(3),
 - (b) in Part 2 of that Schedule, paragraphs 44 and 54, and
 - (c) paragraph 6 of Chapter 3A of Part 1 of Schedule 1 to FA 2022.