



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART VI

SCHEDULE D

CHAPTER V

TRADES, PROFESSIONS AND VOCATIONS : POST-CESSATION ETC. RECEIPTS

Reliefs

148 Treatment of receipts as earned income

Where an individual is chargeable to tax by virtue of section 143 or 144 above, and the profits or gains of the trade, profession or vocation to which he was entitled before the discontinuance or, as the case may be, change of basis fell to be treated as earned income for the purposes of income tax the sums in respect of which he is so chargeable shall also be treated as earned income for those purposes (but, in the case of sums chargeable by virtue of the said section 144, after any reduction therein under section 150 below).

149 Election for carry-back

Where any sum chargeable to tax by virtue of section 143 or 144 above is received in any year of assessment beginning not later than six years after the discontinuance or, as the case may be, change of basis by the person by whom the trade, profession or vocation was carried on before the discontinuance or change, or by his personal representatives, that person or (in either case) his personal representatives may, by notice in writing sent to the inspector within two years after that year of assessment, elect that the tax chargeable as aforesaid shall be charged as if the sum in question were received on the date on which the discontinuance took place or, as the case may be, on the last day of the period at the end of which the change of basis took place;

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and, in any such case, an assessment shall (notwithstanding anything in the Tax Acts) be made accordingly, and, in connection with that assessment, no further deduction or relief shall be made or given in respect of any loss or allowance deducted in pursuance of section 145 above.

150 Charge under s. 144: relief for individuals born before 6th April 1917

- (1) If an individual born before 6th April 1917, or the personal representative of such an individual, is chargeable to tax under section 144 above, and—
- (a) the individual was engaged in carrying on the trade, profession or vocation on 18th March 1968, and
 - (b) the profits or gains of the trade, profession or vocation were not computed by reference to earnings in the period in which the said 18th March fell, or in any subsequent period ending before or with the relevant date,
- the net amount with which he is so chargeable to tax shall be reduced by multiplying that net amount by the fraction given below.
- (2) Where section 144(2) above applies in relation to a change of basis taking place on a date before 19th March 1968, then, in relation to tax chargeable by reference to that change of basis, that earlier date shall be substituted for the date in subsection (1)(a) above and subsection (1)(b) above shall be omitted.
- (3) The said fraction is—
- (a) where on 5th April 1968 the individual had not attained the age of fifty-two, nineteen-twentieths,
 - (b) where on that date he had attained the age of fifty-two, but had not attained the age of fifty-three, eighteen-twentieths, and so on reducing the fraction by one-twentieth for each year he had attained, up to the age of sixty-four,
 - (c) where on that date he had attained the age of sixty-five, or any greater age, five-twentieths.
- (4) In this section—
- " the net amount " with which a person is chargeable to tax under the said section 144 means the amount with which he is so chargeable after making any deduction authorised by section 145 above, but before giving any relief under this section, and
- " relevant date "—
- (a) in relation to tax under section 144(1) above, means the date of the permanent discontinuance, and
 - (b) in relation to tax under section 144(2) above, means the date of the change of basis.
- (5) The preceding provisions of this section shall apply as follows as respects the net amount of any sum chargeable under the said section 144 which is assessed by reference to a sum accruing to a partnership—
- (a) the part of that net amount which is apportioned to any partner (who is an individual), or the personal representative of such an individual, shall be a net amount with which that person is chargeable under the said section 144, and
 - (b) if the part of the said net amount which is so apportioned is a greater proportion of that amount than is the individual's share (that is to say, the part to be included in his total income) of the total amount of the partnership profits assessed to income tax for the three years of assessment ending with the year

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in which the discontinuance or change of basis took place, the amount of the reduction to be given by way of relief shall not exceed the amount of relief which would have been so given if the apportionment had been made by reference to his share of that total amount.

- (6) For the purposes of this section, the trade, profession or vocation carried on before a permanent discontinuance shall not be treated as the same as any carried on after the discontinuance.