



Taxes Management Act 1970

1970 CHAPTER 9

PART II

RETURNS OF INCOME AND GAINS

[^{F1}Partnerships

Textual Amendments

- F1** S. 12AA and cross-heading inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 184](#); [S.I. 1998/3173](#), art. 2

12AA Partnership return.

^{F2}(1) Where a trade, profession or business is carried on by two or more persons in partnership, for the purpose of facilitating the establishment of the following amounts, namely—

- (a) the amount in which each partner chargeable to income tax for any year of assessment is so chargeable, and
- (b) the amount in which each partner chargeable to corporation tax for any period is so chargeable,

an officer of the Board may act under subsection (2) or (3) below (or both).

(1A) The amounts referred to in paragraphs (a) and (b) of subsection (1) above are net amounts, that is to say, amounts which—

- (a) take into account any relief, allowance or repayment of tax for which a claim is made; and
- (b) in the case of the amount referred to in paragraph (a) of that subsection, give credit for any income tax deducted at source and any tax credit to which section 231 of the principal Act applies.]

Status: Point in time view as at 01/05/1995.

Changes to legislation: Taxes Management Act 1970, Cross Heading: Partnerships is up to date with all changes known to be in force on or before 29 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) An officer of the Board may by a notice given to the partners require such person as is identified in accordance with rules given with the notice—
- (a) to make and deliver to the officer in respect of such period as may be specified in the notice, on or before such day as may be so specified, a return containing such information as may reasonably be required in pursuance of the notice, and
 - (b) to deliver with the return [^{F3}such accounts, statements and documents, relating to information contained in the return,] as may reasonably be so required.
- (3) An officer of the Board may by notice given to any partner require the partner—
- (a) to make and deliver to the officer in respect of such period as may be specified in the notice, on or before such day as may be so specified, a return containing such information as may reasonably be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may reasonably be so required;
- and a notice may be given to any one partner or separate notices may be given to each partner or to such partners as the officer thinks fit.
- (4) In the case of a partnership which includes one or more individuals, the day specified in a notice under subsection (2) or (3) above shall not be earlier than—
- (a) the 31st January next following the year of assessment concerned, or
 - (b) where the notice under this section is given after the 31st October next following the year, the last day of the period of three months beginning with the day on which the notice is given.
- (5) In the case of a partnership which includes one or more companies, the day specified in a notice under subsection (2) or (3) above shall not be earlier than—
- (a) the first anniversary of the end of the relevant period, or
 - (b) where the notice under this section is given more than nine months after the end of the relevant period, the last day of the period of three months beginning with the day on which the notice is given;
- and the relevant period for the purposes of this subsection and subsection (6) below is the period in respect of which the return is required.
- (6) Every return under this section shall include—
- (a) a declaration of the name, residence and tax reference of each of the persons who have been partners—
 - (i) for the whole of the relevant period, or
 - (ii) for any part of that period,
 and, in the case of a person falling within sub-paragraph (ii) above, of the part concerned; and
 - (b) a declaration by the person making the return to the effect that it is to the best of his knowledge correct and complete.
- (7) Every return under this section shall also include, if the notice under subsection (2) or (3) above so requires—
- (a) with respect to any disposal of partnership property during a period to which any part of the return relates, the like particulars as if the partnership were liable to tax on any chargeable gain accruing on the disposal, and

Status: Point in time view as at 01/05/1995.

Changes to legislation: Taxes Management Act 1970, Cross Heading: Partnerships is up to date with all changes known to be in force on or before 29 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) with respect to any acquisition of partnership property, the particulars required under section 12(2) of this Act.
- (8) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (9) Notices under this section may require different information, accounts and statements in relation to different descriptions of partnership.
- (10) In this section “residence”, in relation to a company, means its registered office.]

Textual Amendments

- F2** S. 12AA(1)(1A) substituted for s. 12AA(1) (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 104\(6\)](#)
- F3** Words in s. 12AA(2) substituted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 115\(4\)](#)

[^{F4}12AB Partnership return to include partnership statement.

[^{F5}(1) Every return under section 12AA of this Act shall include a statement (a partnership statement) of the following amounts, namely—

- (a) in the case of each period of account ending within the period in respect of which the return is made—
 - (i) the amount of income or loss from each source which, on the basis of the information contained in the return and taking into account any relief or allowance a section 42(7) claim for which is included in the return, has accrued to or has been sustained by the partnership for that period,
 - (ii) each amount of income tax which, on that basis, has been deducted or treated as deducted from any income of the partnership, or treated as paid on any such income, for that period,
 - (iii) the amount of each tax credit which, on that basis, has accrued to the partnership for that period, and
 - (iv) the amount of each charge which, on that basis, was a charge on the income of the partnership for that period; and
 - (b) in the case of each such period and each of the partners, the amount which, on that basis and (where applicable) taking into account any such relief or allowance, is equal to his share of that income, loss, tax, credit or charge.]
- (2) Subject to subsection (3) below—
- (a) at any time before the end of the period of nine months beginning with the day on which a person’s return is delivered, an officer of the Board may by notice to that person so amend that person’s partnership statement as to correct any obvious errors or mistakes in the return (whether errors of principle, arithmetical mistakes or otherwise); and
 - (b) at any time before the end of the period of twelve months beginning with the filing date, a person may by notice to an officer of the Board so amend his partnership statement as to give effect to any amendments to his return which he has notified to such an officer.

Status: Point in time view as at 01/05/1995.

Changes to legislation: Taxes Management Act 1970, Cross Heading: Partnerships is up to date with all changes known to be in force on or before 29 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) No amendment of a partnership statement may be made under subsection (2) above at any time during the period—
- (a) beginning with the day on which an officer of the Board gives notice of his intention to enquire into the return, and
 - (b) ending with the day on which the officer’s enquiries into the return are completed.
- (4) Where a partnership statement is amended under subsection (2) above, the officer shall by notice to the partners so amend their self-assessments under section 9 or 11AA of this Act as to give effect to the amendments of the partnership statement.
- (5) In this section—
- “filing date” means the day specified in the notice under subsection (2) or, as the case may be, subsection (3) of section 12AA of this Act;
- “period of account”, in relation to a partnership, means any period for which accounts are drawn up;
- [^{F6}“section 42(7) claim” means a claim under any of the provisions mentioned in section 42(7) of this Act;]
- [^{F6}“tax credit” means a tax credit to which section 231 of the principal Act applies].]

Textual Amendments

- F4** S. 12AB inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 185](#); [S.I. 1998/3173](#), art. 2
- F5** S. 12AB(1) substituted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 104\(7\)](#)
- F6** Words in s. 12AB(5) inserted (with effect in accordance with s. 103(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 104\(8\)](#)

[^{F7}12ABZA] **Returns relating to LLP not carrying on business etc with view to profit**

- (1) This section applies where—
- (a) a person delivers a purported partnership return (“the relevant return”) in respect of a period (“the relevant period”),
 - (b) the relevant return—
 - (i) is made on the basis that the activities of a limited liability partnership (“the LLP”) are treated, under section 863 of ITTOIA 2005 or section 1273 of CTA 2009, as carried on in partnership by its members (“the purported partnership”), and
 - (ii) relates to the purported partnership, but
 - (c) the LLP does not carry on a business with a view to profit in the relevant period (and, accordingly, its activities are not treated as mentioned in paragraph (b) (i)).
- (2) For the purposes of the relevant enactments, treat the relevant return as a partnership return (and, accordingly, anything done under a relevant enactment in connection with the relevant return has the same effect as it would have if done in connection with a partnership return in a corresponding partnership case).
- (3) “Relevant enactment” means—

Status: Point in time view as at 01/05/1995.

Changes to legislation: Taxes Management Act 1970, Cross Heading: Partnerships is up to date with all changes known to be in force on or before 29 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) any of the following—
 - (i) sections 12AC and 28B (enquiries into partnership returns),
 - (ii) Part 4 of FA 2014 (follower notices and accelerated payment notices),and
 - (b) any enactment relating to, or applying for the purposes of, an enactment within paragraph (a).
- (4) In relation to the relevant return, the relevant enactments apply with the necessary modifications, including in particular the following—
- (a) “partner” includes purported partner, and
 - (b) “partnership” includes the purported partnership.
- (5) In this section—
- “business” includes trade or profession;
 - “corresponding partnership case” means a corresponding case in which the limited liability partnership in question carries on a business with a view to profit in the relevant period;
 - “purported partner” means any person who was a member of the LLP in the relevant period;
 - “purported partnership return” means anything that—
 - (a) purports to be a partnership return, and
 - (b) is in a form, and is delivered in a way, that a partnership return could have been made and delivered in a corresponding partnership case.]

Textual Amendments

F7 S. 12ABZAA inserted (retrospective) by [Finance Act 2020 \(c. 14\)](#), [s. 104\(1\)\(2\)](#) (with [s. 104\(3\)](#))

[^{F8}12AC Power to enquire into partnership return.

- (1) An officer of the Board may enquire into—
- (a) the return on the basis of which a person’s partnership statement was made under section 12AB of this Act, or
 - (b) any amendment of that return on the basis of which that statement has been amended by that person,
- if, before the end of the period mentioned in subsection (2) below, he gives notice in writing of his intention to do so to that person or any successor of that person.
- (2) The period referred to in subsection (1) above is—
- (a) in the case of a return delivered or amendment made on or before the filing date, the period of twelve months beginning with that date;
 - (b) in the case of a return delivered or amendment made after that date, the period ending with the quarter day next following the first anniversary of the day on which the return or amendment was delivered or made;
- and the quarter days for the purposes of this subsection are 31st January, 30th April, 31st July and 31st October.
- (3) The giving of notice under subsection (1) above at any time shall be deemed to include the giving of notice under section 9A(1) or, as the case may be, section 11AB(1) of this Act to each partner who—

Status: Point in time view as at 01/05/1995.

Changes to legislation: Taxes Management Act 1970, Cross Heading: Partnerships is up to date with all changes known to be in force on or before 29 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (a) at that time, has made a return under section 9 or 11 of this Act, or
 - (b) at any subsequent time, makes such a return.
- (4) A return or amendment which has been enquired into under subsection (1) above shall not be the subject of a further notice under that subsection.
- (5) In this section “the filing date” means the day specified in the notice under subsection (2) or, as the case may be, subsection (3) of section 12AA of this Act.
- (6) In this Act “successor”, in relation to a person who—
- (a) has made and delivered a return under section 12AA of this Act, but
 - (b) is no longer a partner or is otherwise no longer available,
- means such other partner who may at any time be nominated for the purposes of this subsection by the majority of the partners at that time, and “predecessor” and “successor”, in relation to a person so nominated, shall be construed accordingly.]

Textual Amendments

- F8** S. 12AC inserted (with effect in accordance with s. 199(2)(3) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 186](#); [S.I. 1998/3173](#), art. 2

Status:

Point in time view as at 01/05/1995.

Changes to legislation:

Taxes Management Act 1970, Cross Heading: Partnerships is up to date with all changes known to be in force on or before 29 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.