



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART IV

PROVISIONS RELATING TO THE SCHEDULE D CHARGE

CHAPTER VI

DISCONTINUANCE, AND CHANGE OF BASIS OF COMPUTATION

Supplemental

110 Interpretation etc.

- (1) ^{M1}The following provisions have effect for the purposes of [^{F1}sections 103 to 109A].
- (2) ^{M2}For the purposes of those sections, any reference to the permanent discontinuance of a trade, profession or vocation includes a reference to the occurring of [^{F2}—
 - (a) any event which, under section 113 or 337(1), is to be treated as equivalent to the permanent discontinuance of a trade, profession or vocation; or
 - (b) in relation to a trade or profession carried on by a person in partnership with other persons, any event which, under subsection (4) of section 111, is to be treated as equivalent to the permanent discontinuance of his deemed trade or profession (within the meaning of that subsection)].
- (3) ^{M3}The profits or gains of a trade, profession or vocation in any period shall be treated as computed by reference to earnings where all credits and liabilities accruing during that period as a consequence of its being carried on are brought into account in computing those profits or gains for tax purposes, and not otherwise, and “earnings basis” shall be construed accordingly.
- (4) “Conventional basis” has the meaning given by section 103(2), so that profits or gains are computed on a conventional basis if computed otherwise than by reference to earnings.

Status: Point in time view as at 01/05/1995. This version of this provision has been superseded.

Changes to legislation: Income and Corporation Taxes Act 1988, Section 110 is up to date with all changes known to be in force on or before 17 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)

- (5) There is a change from a conventional basis to the earnings basis at the end of a period the profits or gains of which were computed on a conventional basis if the profits or gains of the next succeeding period are computed by reference to earnings; and, if the profits or gains of two successive periods are computed on different conventional bases, a change of conventional basis occurs at the end of the earlier period.
- (6) In sections 103 and 104—
- (a) “trading stock” has the meaning given by section 100(2);
 - (b) references to work in progress at the discontinuance of a profession or vocation, and to the transfer of work in progress, are to be construed in accordance with section 101(3); and
 - (c) the reference to work in progress at the time of a change of basis is also to be construed in accordance with section 101(3), substituting therein for this purpose references to the change of basis for references to the discontinuance.

Textual Amendments

- F1** Words in s. 110(1) substituted (with effect in accordance with s. 90(7) of the amending Act) by Finance Act 1995 (c. 4), s. 90(3)
- F2** Words in s. 110(2) substituted (with effect in accordance with s. 215(4) of the 1994 amending Act) by Finance Act 1994 (c. 9), s. 215(1A) (as inserted (retrospectively) by Finance Act 1995 (c. 4), s. 117(1)(c)(3))

Marginal Citations

- M1** Source—1970 s.151(1)
- M2** Source—1970 s.146
- M3** Source—1970 s.151(2)-(5)

Status:

Point in time view as at 01/05/1995. This version of this provision has been superseded.

Changes to legislation:

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