



# Income and Corporation Taxes Act 1988

## 1988 CHAPTER 1

### PART IV

#### PROVISIONS RELATING TO THE SCHEDULE D CHARGE

### CHAPTER VII

#### PARTNERSHIPS AND SUCCESSIONS

*[<sup>F1</sup>Non-active general partners and non-active members of limited liability partnerships*

#### **[<sup>F1</sup>118ZK] Transitional provision for years after the first restricted year**

- (1) This section applies where the year of assessment referred to in section 118ZE(1) is a year of assessment later than the first restricted year.
- (2) Section 118ZE(2) shall not apply to any part of the amount mentioned in section 118ZE(1) that—
  - (a) derives from a capital allowance treated as an expense of the trade where the capital expenditure to which the allowance relates was incurred before 10 February 2004, or
  - (b) derives from a deduction made under section 42(1) of the Finance (No. 2) Act 1992 where the expenditure to which the deduction relates was incurred before 10 February 2004.
- (3) In computing for the purposes of section 118ZE(2)(a) or (b) the amount given or (as the case may be) the aggregate amount, any part of an amount given that falls within subsection (2)(a) or (b) of this section shall be left out of account.
- (4) In computing the aggregate amount for the purposes of section 118ZE(2), any amount given in respect of the pre-announcement allowance shall be left out of account.

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*Status: Point in time view as at 02/12/2004. This version of this provision has been superseded.*

*Changes to legislation: Income and Corporation Taxes Act 1988, Section 118ZK is up to date with all changes known to be in force on or before 06 August 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)*

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- (5) For the purposes of subsections (2) and (3) the part of an amount that derives from a capital allowance or a deduction made under section 42(1) of the Finance (No. 2) Act 1992 shall be determined on such basis as is just and reasonable.
- (6) In this section “the first restricted year” and “the pre-announcement allowance” have the meanings given by section 118ZJ.]

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**Textual Amendments**

- F1** [Ss. 118ZE-118ZK](#) and preceding cross-heading inserted (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), [s. 124\(1\)](#)

**Status:**

Point in time view as at 02/12/2004. This version of this provision has been superseded.

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