



# Taxation of Chargeable Gains Act 1992

## 1992 CHAPTER 12

### PART VII

#### OTHER PROPERTY, BUSINESSES, INVESTMENTS ETC.

##### *Leases*

#### **241** [<sup>F1</sup>UK furnished] holiday lettings.

(1) The following provisions of this section shall have effect with respect to the treatment for the purposes of tax on chargeable gains of the commercial letting of furnished holiday accommodation in the United Kingdom.

[<sup>F2</sup>(2) For the purposes of this section as it applies to capital gains tax the “commercial letting of furnished holiday accommodation” has the same meaning as it has for the purposes of Chapter 6 of Part 3 of ITTOIA 2005.

For the purposes of this section as it applies to corporation tax in respect of chargeable gains the “commercial letting of furnished holiday accommodation” [<sup>F3</sup>has the same meaning as it has for the purposes of Chapter 6 of Part 4 of CTA 2009].]

(3) [<sup>F4</sup>Subject to subsections (4) to (8) below, for the purposes of the provisions mentioned in subsection (3A) below—]

[<sup>F5</sup>(a) any [<sup>F6</sup>UK property business <sup>F7</sup>... which consists of, or so far as it consists of, the commercial letting of furnished holiday accommodation] shall be treated as a trade, and]

(b) all such lettings made by a particular person or partnership or body of persons shall be treated as one trade.

[<sup>F8</sup>(3A) The provisions referred to in subsection (3) above are—

sections 152 to 157 (roll-over relief on replacement of business asset),

section 165 (gifts relief),

[<sup>F9</sup>section 169S(1) ([<sup>F10</sup>business asset disposal relief]),]

Section 253 (relief for loans to traders),

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F11 .....  
F12 ..... , and  
Schedule 7AC (exemptions for disposals by companies with substantial shareholding).]

- (4) Subject to subsection (5) below, for the purposes of the [F13]provisions mentioned in subsection (3A)] above as they apply by virtue of this section, where in any chargeable period a person makes a commercial letting of furnished holiday accommodation [F14]in the United Kingdom]—
- (a) the accommodation shall be taken to be used in that period only for the purposes of the trade of making such lettings; and
  - (b) that trade shall be taken to be carried on throughout that period.
- (5) Subsection (4) above does not apply to any part of a chargeable period during which the accommodation is neither let commercially nor available to be so let unless it is prevented from being so let or available by any works of construction or repair.
- (6) Where—
- (a) a gain to which section 222 applies accrues to any individual on the disposal of an asset; and
  - (b) by virtue of subsection (3) above the amount or value of the consideration for the acquisition of the asset is treated as reduced under section 152 or 153,
- the gain to which section 222 applies shall be reduced by the amount of the reduction mentioned in paragraph (b) above.
- (7) Where there is a letting of accommodation only part of which is holiday accommodation such apportionments shall be made for the purposes of this section as [F15]are] just and reasonable.
- (8) Where a person has been charged to tax in respect of chargeable gains otherwise than in accordance with the provisions of this section, such assessment, reduction or discharge of an assessment or, where a claim for repayment is made, such repayment, shall be made as may be necessary to give effect to those provisions.

#### Textual Amendments

- F1** Words in s. 241 heading substituted (with effect in accordance with Sch. 14 para. 15 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), **Sch. 14 para. 14(2)(a)**
- F2** S. 241(2) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 1 para. 441(2)** (with Sch. 2)
- F3** Words in s. 241(2) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 1 para. 380(2)** (with Sch. 2 Pts. 1, 2)
- F4** Words in s. 241(3) substituted (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), **Sch. 8 para. 3(2)**
- F5** S. 241(3)(a) substituted (with effect in accordance with s. 38 of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **Sch. 5 para. 62** (with Sch. 5 para. 73)
- F6** Words in s. 241(3)(a) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), **Sch. 1 para. 441(3)** (with Sch. 2)
- F7** Words in s. 241(3)(a) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 1 para. 380(3)**, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F8** S. 241(3A) inserted (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), **Sch. 8 para. 3(3)**
- F9** Words in s. 241(3A) inserted (with effect in accordance with Sch. 3 para. 5 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 3 para. 3**

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- F10** Words in Act substituted (with effect for the tax year 2020-21 and subsequent tax years) by [Finance Act 2020 \(c. 14\)](#), [Sch. 3 paras. 7\(2\)\(a\)](#), [8](#) (with [Sch. 3 para. 7\(3\)](#))
- F11** Words in s. 241(3A) omitted (with effect in accordance with [Sch. 2 para. 56\(3\)](#) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 2 para. 37](#)
- F12** Words in s. 241(3A) omitted (with effect in accordance with [Sch. 14 para. 15](#) of the amending Act) by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 14\(2\)\(b\)](#)
- F13** Words in s. 241(4) substituted (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), [Sch. 8 para. 3\(4\)](#)
- F14** Words in s. 241(4) inserted (with effect in accordance with [Sch. 14 para. 15](#) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 14\(2\)\(c\)](#)
- F15** Word in s. 241(7) substituted (with effect in accordance with [s. 134\(2\)](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 20 para. 62](#)

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**Modifications etc. (not altering text)**

- C1** S. 241(3) modified (with effect in accordance with [s. 39\(4\)\(a\)\(5\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 39\(3\)](#), [Sch. 6 para. 36](#)

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

- Act applied by [1997 c. 16 Sch. 12 para. 12\(7\)](#)[1314](#)
- Act applied by [2002 c. 23 Sch. 16 para. 48\(1\)\(2\)](#)
- Act construed as one with reg. 37 by [S.I. 2006/575 reg. 37\(2\)](#)
- Act construed as one with reg. 38 by [S.I. 2006/575 reg. 38\(3\)](#)

**Whole provisions yet to be inserted into this Act (including any effects on those provisions):**

- s. 4(10)(11) inserted by [2016 c. 11 s. 15\(4\)](#)
- s. 4(10) words inserted by [2016 c. 24 s. 83\(11\)](#)
- s. 35(3)(d)(xviii) added by [2008 c. 17 Sch. 7 para. 9](#)
- s. 35(3)(d)(xviii) inserted by [2008 c. 18 Sch. 13 para. 46](#)
- s. 35(3)(d)(xviii) repealed by [S.I. 2008/3002 Sch. 1 para. 42](#)[Sch. 3](#) (This amendment comes into force on the day 2008 c. 4, s. 5 comes into force, see art. 1(2). That provision was brought into force on 1.12.2008 by [S.I. 2008/3068](#), art. 2(1)(b))
- s. 104(4)(b)(i) words substituted by [S.I. 1989/469](#), reg. 27(2) (as amended) by [S.I. 1997/1716 reg. 13\(1\)\(b\)](#)
- s. 107(11) words substituted by [S.I. 1989/469](#), reg. 27(2A) (as amended) by [S.I. 1997/1716 reg. 13\(2\)\(b\)](#)
- s. 169S(4A) inserted by [2015 c. 11 s. 43\(2\)](#)
- s. 587B inserted by [2000 c. 17 s. 43\(1\)](#)
- Sch. 5C para. 3(1) modified by [S.I. 2004/2199 reg. 7\(1\)](#)
- Sch. 5C para. 3(6) modified by [S.I. 2004/2199 reg. 7\(2\)](#)
- Sch. 5C para. 5(1) modified by [S.I. 2004/2199 reg. 7\(3\)](#)
- Sch. 5C para. 3 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 5 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 6 words inserted by [S.I. 2005/3229 reg. 128](#)
- Sch. 5C para. 3(1)(f) words substituted by [2007 c. 3 Sch. 1 para. 347](#)