



Taxation of Chargeable Gains Act 1992

1992 CHAPTER 12

PART VIII

SUPPLEMENTAL

[^{F1}279C Effect of election under section 279A

- (1) This section applies where an election is made under section 279A by the taxpayer for the relevant loss to be treated as accruing in an earlier year in accordance with this section.
- (2) Where this section applies, the relevant loss shall be treated for the purposes of capital gains tax as if it were a loss accruing to the taxpayer in the earliest year which is an eligible year (the “first eligible year”), instead of in the year of the loss (but subject to, and in accordance with, the following provisions of this section).
- (3) The amount of the relevant loss that falls to be deducted from chargeable gains of the first eligible year in accordance with section 2(2)(a) is limited to the amount (the “first year limit”) found by taking the following steps—

Step 1: take the total amount of chargeable gains accruing to the taxpayer in the first eligible year,

Step 2: exclude from that amount any amounts that fall to be disregarded in accordance with section 2(4)(a) for that year,

Step 3: deduct from the amount remaining any amounts in respect of allowable losses (other than the relevant loss or any part of it) that fall to be deducted from that amount in accordance with section 2(2) otherwise than by virtue of section 2(5)(aa)(i) (taking account of any previous elections under section 279A).

The amount so found is the first year limit, unless the first eligible year is a year in relation to which section 2(5)(aa) has effect, in which case the further steps in subsection (4) below must also be taken.

- (4) Those further steps are—

Status: Point in time view as at 10/07/2003. This version of this provision has been superseded.

Changes to legislation: Taxation of Chargeable Gains Act 1992, Section 279C is up to date with all changes known to be in force on or before 25 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)

Step 4: add to the amount found by taking steps 1 to 3 in subsection (3) above every amount which is treated by virtue of section 77 or 86 as an amount of chargeable gains accruing to the taxpayer for the first eligible year (the “attributed amounts”),

Step 5: deduct from the resulting amount any amounts (other than the relevant loss or any part of it) that fall to be deducted from the attributed amounts in accordance with section 2(5)(aa)(i) (taking account of any previous elections under section 279A).

The amount so found is the first year limit in a case where section 2(5)(aa) applies in relation to the first eligible year.

(5) As respects any later year before the year of the loss, the relevant loss (so far as not previously allowed as a deduction from chargeable gains accruing in any previous year) falls to be deducted in accordance with section 2(2)(b) only if that later year is an eligible year.

(6) The amount of the relevant loss that falls to be deducted from chargeable gains of that later eligible year in accordance with section 2(2)(b) is limited to the amount (the “later year limit”) in respect of which the taxpayer would be chargeable to capital gains tax for that later year—

- (a) on the assumption in subsection (7) below,
- (b) taking account of any previous elections under section 279A, and
- (c) apart from the provisions specified in subsection (8) below.

(7) The assumption is that no part of—

- (a) the relevant loss, or
- (b) any loss in respect of which an election under section 279A may be, but has not been, made,

falls to be deducted, in consequence of an election under section 279A, from any chargeable gains accruing to the taxpayer in that later eligible year.

The assumption falls to be made immediately after the making of the election in respect of the relevant loss.

(8) The provisions are—

- (a) section 2(5)(a)(ii) (taper relief),
- (b) section 2(5)(aa)(ii) (taper relief),
- (c) section 2(5)(b) (addition of certain amounts treated as amounts of chargeable gains), and
- (d) section 2A (taper relief),

except that paragraphs (b) and (d) above are not to affect the operation of section 2(7) for the purposes of subsection (6) above.

(9) All such adjustments shall be made, whether by discharge or repayment of tax, the making of assessments or otherwise, as are required to give effect to the election under section 279A made by the taxpayer for the relevant loss to be treated as accruing in an earlier year in accordance with this section.

(10) Any reference in this section or section 279D to deduction in accordance with section 2(2)(a), section 2(2)(b) or section 2(2) includes a reference to such deduction by virtue of section 2(5)(a)(i) or (aa)(i).]

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Textual Amendments

- F1** Ss. 279A-279D inserted (with effect in accordance with s. 162(3) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), **s. 162(1)**

Status:

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Changes to legislation:

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