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*Status: Point in time view as at 01/12/2001.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1996, SCHEDULE 17. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 17

Section 128.

#### CLAIMS FOR RELIEF INVOLVING TWO OR MORE YEARS

##### *Preliminary*

- 1 (1) In this Schedule—
- (a) any reference to a claim includes a reference to an election or notice; and
  - (b) any reference to the amount in which a person is chargeable to tax is a reference to the amount in which he is so chargeable after taking into account any relief or allowance for which a claim is made.
- (2) For the purposes of this Schedule, two or more claims to which this Schedule applies which are made by the same person are associated with each other in so far as the same year of assessment is the earlier year in relation to each of those claims.
- (3) In sub-paragraph (2) above, any reference to claims to which this Schedule applies includes a reference to amendments and revocations to which paragraph 4 below applies.

##### *Loss relief*

- 2 (1) This paragraph applies where a person makes a claim requiring relief for a loss incurred or treated as incurred, or a payment made, in one year of assessment (“the later year”) to be given in an earlier year of assessment (“the earlier year”).
- (2) Section 42(2) of this Act shall not apply in relation to the claim.
- (3) The claim shall relate to the later year.
- (4) Subject to sub-paragraph (5) below, the claim shall be for an amount equal to the difference between—
- (a) the amount in which the person is chargeable to tax for the earlier year (“amount A”); and
  - (b) the amount in which he would be so chargeable on the assumption that effect could be, and were, given to the claim in relation to that year (“amount B”).
- (5) Where effect has been given to one or more associated claims, amounts A and B above shall each be determined on the assumption that effect could have been, and had been, given to the associated claim or claims in relation to the earlier year.
- (6) Effect shall be given to the claim in relation to the later year, whether by repayment or set-off, or by an increase in the aggregate amount given by section 59B(1)(b) of this Act, or otherwise.

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- (7) For the purposes of this paragraph, any deduction made under section 62(2) of the 1992 Act (death: general provisions) in respect of an allowable loss shall be deemed to be made in pursuance of a claim requiring relief to be given in respect of that loss.

*Relief for fluctuating profits of farming etc.*

- 3 (1) This paragraph applies where a person who is or has been carrying on a trade of farming or market gardening claims that subsection (2) or (3) of section 96 of the principal Act shall have effect in relation to his profits from that trade for two consecutive years of assessment (“the earlier year” and “the later year”).
- (2) The claim shall relate to the later year.
- (3) Subject to sub-paragraph (4) below, in so far as the claim relates to the profits of the earlier year, the claim shall be for an amount equal to the difference between—
- (a) the amount in which the person is chargeable to tax for the earlier year (“amount A”); and
  - (b) the amount in which he would be so chargeable on the assumption that effect could be, and were, given to the claim in relation to that year (“amount B”).
- (4) Where effect has been given to one or more associated claims, amounts A and B above shall each be determined on the assumption that effect could have been, and had been, given to the associated claim or claims in relation to the earlier year.
- (5) In so far as the claim relates to the profits of the earlier year, effect shall be given to the claim in relation to the later year by an increase in the amount of tax payable or, as the case may require, in the aggregate amount given by section 59B(1)(b) of this Act.
- (6) Where this paragraph applies twice in relation to the same year of assessment, the increase or reduction in the amount of tax payable for that year which is required by sub-paragraph (5) above on the earlier application shall be disregarded in determining amounts A and B above for the purposes of the later application.

*Relief claimed by virtue of section 96(9)*

- 4 (1) This paragraph applies where—
- (a) a person who claims that subsection (2) or (3) of section 96 of the principal Act shall have effect for two consecutive years of assessment (“the earlier year” and “the later year”) makes or amends a claim for relief under any other provision of the Income Tax Acts for either of those years; and
  - (b) the making or amendment of the claim would be out of time but for subsection (9) of that section.
- (2) The claim or amendment shall relate to the later year.
- (3) Subject to sub-paragraph (4) below, in so far as the claim or amendment relates to income of the earlier year, the amount claimed, or (as the case may be) the increase or reduction in the amount claimed, shall be equal to the difference between—
- (a) the amount in which the person is chargeable to tax for the earlier year (“amount A”); and
  - (b) the amount in which he would be so chargeable on the assumption that effect could be, and were, given to the claim or amendment in relation to that year (“amount B”).

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- (4) Where effect has been given to one or more associated claims, amounts A and B above shall each be determined on the assumption that effect could have been, and had been, given to the associated claim or claims in relation to the earlier year.
- (5) In so far as the claim or amendment relates to income of the earlier year, effect shall be given to the claim or amendment in relation to the later year by an increase in the amount of tax payable or, as the case may require, in the aggregate amount given by section 59B(1)(b) of this Act.
- (6) In this paragraph “amend” includes revoke and “amendment” shall be construed accordingly.

*Carry-back of post-cessation etc. receipts*

- 5 (1) This paragraph applies where a person who has received a sum to which section 108 of the principal Act applies (election for carry-back) makes an election under that section requiring tax to be charged as if the sum were received on the date on which the discontinuance took place or, as the case may be, on the last day of the period at the end of which the change of basis took place; and in this paragraph—
  - “the earlier year” means the year in which the sum is treated as received;
  - “the later year” means the year in which the sum is received.
- (2) The claim shall relate to the later year.
- (3) Subject to sub-paragraph (4) below, the claim shall be for an amount equal to the difference between—
  - (a) the amount in which the person is chargeable to tax for the earlier year (“amount A”); and
  - (b) the amount in which he would be so chargeable on the assumption that effect could be, and were, given to the claim in relation to that year (“amount B”).
- (4) Where effect has been given to one or more associated claims, amounts A and B above shall each be determined on the assumption that effect could have been, and had been, given to the associated claim or claims in relation to the earlier year.
- (5) In computing amount B for the purposes of this paragraph, no further deduction or relief shall be made or given in respect of any loss or allowance deducted in pursuance of section 105 of the principal Act.
- (6) Effect shall be given to the claim in relation to the later year by an increase in the amount of tax payable.

*Backward spreading of certain payments*

- 6 (1) This paragraph applies where a person who has received a payment to which any of the following sections applies, namely—
  - (a) section 534 of the principal Act (relief for copyright payments etc.);
  - (b) section 537A of that Act (relief for payments in respect of designs); and
  - (c) section 538 of that Act (relief for painters, sculptors and other artists),makes a claim under subsection (1) of that section requiring that effect be given to the following provisions of that section in connection with that payment.

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- (2) The claim shall relate to the year of assessment in which the payment in question is receivable (“the payment year”); and for the purposes of this sub-paragraph a payment shall be regarded as receivable in the year of assessment in computing the amount of the profits or gains of which it would, but for the relevant section, be included.
- (3) Subject to sub-paragraph (4) below, in so far as the claim relates to the profits or gains of a year of assessment earlier than the payment year (“the earlier year”), the claim shall be for an amount equal to the difference between—
  - (a) the amount in which the person is chargeable to tax for the earlier year (“amount A”); and
  - (b) the amount in which he would be so chargeable on the assumption that effect could be, and were, given to the claim or amendment in relation to that year (“amount B”).
- (4) Where effect has been given to one or more associated claims, amounts A and B above shall each be determined on the assumption that effect could have been, and had been, given to the associated claim or claims in relation to the earlier year.
- (5) In so far as the claim relates to the profits or gains of the earlier year, effect shall be given to the claim in relation to the payment year by an increase in the amount of tax payable.

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