



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 2

TRADING INCOME

CHAPTER 6

TRADE PROFITS: RECEIPTS

Amounts received following earlier cessation

98 Acquisition of trade: receipts from transferor's trade

- (1) This section applies if —
 - (a) a person (“the transferor”) permanently ceased to carry on a trade at any time,
 - (b) at that time the transferor transferred to another person (“the transferee”) the right to receive sums arising from the carrying on of the trade, and
 - (c) the transferee subsequently carries on the transferor's trade.
- (2) Sums—
 - (a) which the transferee receives as a result of the transfer, and
 - (b) which are not brought into account in calculating the profits of the transferor's trade for income or corporation tax purposes for any period before the cessation,are brought into account in calculating the profits of the transferee's trade in the period of account in which they are received.
- (3) Any sums mentioned in subsection (1)(b) which are received after the transferor has permanently ceased to carry on the trade are not post-cessation receipts (see Chapter 18).

Status:

Point in time view as at 06/04/2005.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Cross Heading: Amounts received following earlier cessation.