



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 3

#### PROPERTY INCOME

#### CHAPTER 6

##### COMMERCIAL LETTING OF FURNISHED HOLIDAY ACCOMMODATION

##### *Separate profit calculations*

#### 327 [<sup>F1</sup>Relief: UK property business ]

- (1) If a UK property business consists of both—
  - (a) the commercial letting of furnished holiday accommodation (“the furnished holiday lettings part”), and
  - (b) other businesses or transactions (“the other part”),this section requires separate calculations to be made of the profits of the furnished holiday lettings part and the other part.
- (2) The calculations must be made if—
  - (a) section 248 or 249 of CAA 2001 (giving effect to allowances and charges) applies to the furnished holiday lettings part or the other part, or
  - (b) any provision of [<sup>F2</sup>Part 4 of ITA 2007] (loss relief) applies in relation to a loss made in either of those parts,<sup>F3</sup> ...
  - <sup>F3</sup>(c) .....
- (3) If there is a letting of accommodation only part of which is holiday accommodation, such apportionments are to be made for the purposes of this section as are just and reasonable.

*Status: Point in time view as at 15/09/2016.*

*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Cross Heading: Separate profit calculations. (See end of Document for details)*

#### Textual Amendments

- F1** Words in s. 327 heading substituted (with effect in accordance with Sch. 14 para. 4 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 2\(6\)](#)
- F2** Words in s. 327(2)(b) substituted (6.4.2007 with effect as stated in [s. 1034\(1\)](#) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1034, [Sch. 1 para. 509](#) (with transitional provisions and savings in [Sch. 2](#))
- F3** S. 327(2)(c) and word omitted (with effect in accordance with s. 74(2) of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [s. 74\(1\)\(b\)](#)

### 328 Relevant UK earnings for pension [<sup>F4</sup> purposes: UK property business ]

- (1) If a UK property business consists of both—
  - (a) the commercial letting of furnished holiday accommodation (“the furnished holiday lettings part”), and
  - (b) other businesses or transactions,
 this section requires a separate calculation to be made of the profits of the furnished holiday lettings part.
- (2) The calculation must be made if the profits of the furnished holiday lettings part are [<sup>F5</sup>relevant UK earnings within section 189(2)(ba) of FA 2004.]
- (3) If there is a letting of accommodation only part of which is holiday accommodation, such apportionments are to be made for the purposes of this section as are just and reasonable.

#### Textual Amendments

- F4** Words in s. 328 heading substituted (with effect in accordance with Sch. 14 para. 4 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 2\(7\)](#)
- F5** Words in s. 328(2) substituted (6.4.2007 with effect as stated in [s. 1034\(1\)](#) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1034, [Sch. 1 para. 510\(2\)](#) (with transitional provisions and savings in [Sch. 2](#))

### [<sup>F6</sup>328A Capital allowances and loss relief: overseas property business

- (1) If an overseas property business consists of both—
  - (a) the commercial letting of furnished holiday accommodation in one or more EEA states (“the EEA furnished holiday lettings part”), and
  - (b) other businesses or transactions (“the other part”),
 this section requires separate calculations to be made of the profits of the EEA furnished holiday lettings part and the other part.
- (2) The calculations must be made if—
  - (a) section 250 or 250A of CAA 2001 (giving effect to allowances and charges) applies to the EEA furnished holiday lettings part or the other part, or
  - (b) any provision of Part 4 of ITA 2007 (loss relief) applies in relation to a loss made in either of those parts.

*Status: Point in time view as at 15/09/2016.*

*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Cross Heading: Separate profit calculations. (See end of Document for details)*

- (3) If there is a letting of accommodation only part of which is holiday accommodation, such apportionments are to be made for the purposes of this section as are just and reasonable.

**Textual Amendments**

**F6** Ss. 328A, 328B inserted (with effect in accordance with Sch. 14 para. 4 of the amending Act) by Finance Act 2011 (c. 11), **Sch. 14 para. 2(8)**

**328B Relevant UK earnings for pension purposes: overseas property business**

- (1) If an overseas property business consists of both—
- (a) the commercial letting of furnished holiday accommodation in one or more EEA states (“the EEA furnished holiday lettings part”), and
  - (b) other businesses or transactions,
- this section requires a separate calculation to be made of the profits of the EEA furnished holiday lettings part.
- (2) The calculation must be made if the profits of the EEA furnished holiday lettings part are relevant UK earnings within section 189(2)(bb) of FA 2004.
- (3) If there is a letting of accommodation only part of which is holiday accommodation, such apportionments are to be made for the purposes of this section as are just and reasonable.]

**Textual Amendments**

**F6** Ss. 328A, 328B inserted (with effect in accordance with Sch. 14 para. 4 of the amending Act) by Finance Act 2011 (c. 11), **Sch. 14 para. 2(8)**

**Status:**

Point in time view as at 15/09/2016.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Cross Heading: Separate profit calculations.