

Status: Point in time view as at 06/04/2005.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: Finance Act 2002 (c. 23). (See end of Document for details)

SCHEDULES

SCHEDULE 1

CONSEQUENTIAL AMENDMENTS

PART 2

OTHER ENACTMENTS

Finance Act 2002 (c. 23)

- 575 The Finance Act 2002 is amended as follows.
- 576 In section 64(1) (adjustment on change of basis) after “to be made for” insert “corporation”.
- 577 (1) Amend Schedule 16 (community investment tax relief) as follows.
- (2) In paragraph 27(2) omit “under Case VI of Schedule D”.
- (3) In paragraph 50(3), for “Chapter 1A of Part 15 of the Taxes Act 1988 (see section 660G(1) and (2))” substitute “Chapter 5 of Part 5 of the Income Tax (Trading and Other Income) Act 2005 (see section 620 of that Act)”.
- 578 (1) Amend Schedule 22 (computation of profits: adjustment of change of basis) as follows.
- (2) In paragraph 2, in item 4 of the first step for “tax purposes” substitute “corporation tax purposes”.
- (3) In paragraph 3(2) for “, profession” to the end substitute “is not regarded as the same if section 337(1) of the Taxes Act 1988 applies (companies beginning or ceasing to carry on trade).”
- (4) For paragraph 4 substitute—
- “4 If the amount of the adjustment is positive, it is chargeable to corporation tax and is treated as receipt of the trade, profession or vocation arising on the last day of the first period of account for which the new basis is adopted.”
- (5) In paragraph 9—
- (a) in sub-paragraph (1) for “person who is chargeable to tax” substitute “company which is chargeable to corporation tax”,
- (b) in sub-paragraph (2)(c) for “the time allowed” substitute “twelve months of the end of the first accounting period to which the new basis applies”,
- (c) omit sub-paragraph (3),
- (d) in sub-paragraph (4) for “tax” substitute “corporation tax”, and
- (e) in sub-paragraph (5) for “tax”, in each place where it occurs, substitute “corporation tax”.

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- (6) Omit paragraphs 11 and 12.
- (7) In paragraph 13—
- (a) in sub-paragraph (1) for “computed” to the end substitute “ computed as if the partnership were a company resident in the United Kingdom ”, and
 - (b) omit sub-paragraphs (3), (4) and (6).
- (8) Omit paragraph 14.
- (9) For paragraph 15 substitute—
- “15 In this Schedule “adjustment charge” means a charge under Part 2 of this Schedule.”
- (10) In paragraph 17—
- (a) in sub-paragraph (2) omit paragraph (a), and
 - (b) in sub-paragraph (3) omit “9ZA or” and “personal, trustee or”.
- 579 (1) Amend paragraph 64 of Schedule 25 (transitional provisions concerning loan relationships in the case of authorised unit trusts and open-ended investment companies) as follows.
- (2) At the beginning of sub-paragraph (7) insert “ Subject to sub-paragraph (9), ”.
- (3) After sub-paragraph (8) insert—
- “(9) So far as sub-paragraphs (3) to (6) are capable of applying at any time after 5th April 2005—
- (a) they have effect as if any reference in them to a relevant discounted security were a reference to a security that is a deeply discounted security for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 (profits from deeply discounted securities) (see 430 of that Act), and
 - (b) in those sub-paragraphs—

“redeem” means make a disposal, within the meaning of that Chapter (except by a transfer within the meaning of that Chapter), or convert as mentioned in section 437(1)(c) of that Act, and

“transfer” has the same meaning as in that Chapter.”
- 580 In Schedule 29 (gains and losses of a company from intangible fixed assets), in paragraph 101(3), for “Chapter 1A of Part 15 of the Taxes Act 1988 (settlements: liability of settlor) (see section 660G(1) and (2) of that Act)” substitute “ Chapter 5 of Part 5 of the Income Tax (Trading and Other Income) Act 2005 (see section 620 of that Act) ”.

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