



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 2

TRADING INCOME

[^{F1}CHAPTER 17A

CASH BASIS: ADJUSTMENTS FOR CAPITAL ALLOWANCES

Adjustments on entering cash basis

[^{F1}240B “Entering the cash basis”

For the purposes of this Chapter a person carrying on a trade enters the cash basis for a tax year if—

- (a) [^{F2}the cash basis applies] in relation to the trade for the tax year, and
- (b) immediately before the beginning of ^{F3}... the tax year, [^{F4}the cash basis does not apply] in relation to the trade.]

Textual Amendments

- F1** Pt. 2 Ch. 17A inserted (with effect in accordance with Sch. 4 paras. 56, 57 of the amending Act) by Finance Act 2013 (c. 29), **Sch. 4 para. 38**
- F2** Words in s. 240B(a) substituted (6.4.2024 for the tax year 2024-25 and subsequent tax years) by Finance Act 2024 (c. 3), **Sch. 10 paras. 28(a), 47** (with **Sch. 10 paras. 48-50**)
- F3** Words in s. 240B(b) omitted (6.4.2024 for the tax year 2024-25 and subsequent tax years) by virtue of Finance Act 2022 (c. 3), **Sch. 1 paras. 15, 61(1)**
- F4** Words in s. 240B(b) substituted (6.4.2024 for the tax year 2024-25 and subsequent tax years) by Finance Act 2024 (c. 3), **Sch. 10 paras. 28(b), 47** (with **Sch. 10 paras. 48-50**)

Changes to legislation:

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 240B.