



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 2

#### TRADING INCOME

#### [<sup>F1</sup>CHAPTER 3A

#### TRADE PROFITS: CASH BASIS

#### *Elections under section 25A*

#### [<sup>F1</sup>31D Effect of election under section 25A

- (1) An election made by a person under section 25A has effect—
  - (a) for the tax year for which it is made, and
  - (b) for every subsequent tax year.This is subject to subsections (2) and (3).
- (2) An election made by a person under section 25A ceases to have effect if any of conditions A to C in section 31A is not met for a subsequent tax year.
- (3) An election made by a person under section 25A ceases to have effect if—
  - (a) there is a change of circumstances relating to any trade, profession or vocation carried on by the person which makes it more appropriate for its profits for a subsequent tax year to be calculated in accordance with generally accepted accounting practice, and
  - (b) the person elects to calculate those profits in that way.
- (4) Neither subsection (2) nor subsection (3) prevents the person making an election under section 25A for any subsequent tax year.

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*Status: Point in time view as at 06/04/2023. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 31D. (See end of Document for details)*

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- (5) An election that—
- (a) is made by a person under section 25A, and
  - (b) has effect for a tax year,
- has effect in relation to every trade, profession or vocation carried on by the person during the tax year.
- (6) For provision prohibiting a person who has made an election under section 25A from claiming any capital allowances (other than in respect of expenditure incurred on the provision of a car), see section 1(4) of CAA 2001.]

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**Textual Amendments**

- F1** Pt. 2 Ch. 3A inserted (with effect in accordance with Sch. 4 paras. 56, 57 of the amending Act) by Finance Act 2013 (c. 29), **Sch. 4 para. 5**

**Status:**

Point in time view as at 06/04/2023. This version of this provision has been superseded.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 31D.