



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

[^{F1}PART 6A

INCOME CHARGED UNDER THIS ACT: TRADING AND PROPERTY ALLOWANCES

CHAPTER 1

TRADING ALLOWANCE

Partial relief

[^{F1}783AI Partial relief: alternative calculation of trade profits

- (1) This section applies if—
 - (a) an individual qualifies for partial relief for a tax year, and
 - (b) the individual's relevant income for the tax year consists of or includes receipts of one or more relevant trades.
- (2) The profits or losses for the tax year of each of the individual's relevant trades are given by taking the following steps—
 - Step 1* Calculate the total of all the amounts which would, apart from this Chapter, be brought into account as a receipt in calculating the profits of the trade for the tax year.
 - Step 2* Subtract the deductible amount.
 - ^{F2}...
- (3) Subject to section 783AK, the deductible amount is equal to the individual's trading allowance for the tax year.

^{F3}(4)]

***Changes to legislation:** There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 783AI. (See end of Document for details)*

Textual Amendments

- F1** Pt. 6A inserted (16.11.2017) (with effect in accordance with Sch. 3 para. 13 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 3 para. 1**
- F2** Words in s. 783AI(2) 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. 21(2)**, 61(1)
- F3** S. 783AI(4) 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. 21(3)**, 61(1)

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