



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 2

TRADING INCOME

[^{F1}CHAPTER 5A

TRADE PROFITS: DEDUCTIONS ALLOWABLE AT A FIXED RATE

Premises used both as home and business premises

[^{F1}94I Premises used both as a home and as business premises

- (1) This section applies if—
 - (a) a person carries on a trade at any premises,
 - (b) the premises are used mainly for the purposes of carrying on the trade, but are also [^{F2}used as a home by—
 - (i) the person carrying on the trade, or
 - (ii) where that person is a firm, a partner of the firm,]
 - (c) the person incurs expenses in relation to the premises,
 - (d) the expenses are incurred mainly (but not wholly and exclusively) for the purposes of the trade, and
 - (e) in calculating the profits of the trade for a period, a deduction (“the standard deduction”) would otherwise be allowable for the period in respect of a part or proportion of the expenses in accordance with section 34(2).
- (2) The person may, instead of making the standard deduction, make a deduction for the period under this section.

Status: Point in time view as at 15/09/2016.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, Section 94I. (See end of Document for details)

- (3) The amount of the deduction allowable for the period is the amount of the expenses less the non-business use amount.
- (4) The non-business use amount is the sum of the applicable amounts for each month, or part of a month, falling within the period.
- (5) The applicable amount for a month, or part of a month, is given by the following Table—

TABLE

<i>Number of relevant occupants</i>	<i>Applicable amount</i>
1	£350
2	£500
3 or more	£650

- (6) For the purposes of subsection (5) “relevant occupant”, in relation to a month (or part of a month), means an individual who, at any time during that month (or that part of a month)—
- (a) occupies the premises as a home, or
 - (b) stays at the premises otherwise than in the course of the trade.

[Where a person makes a deduction for a period under this section in respect of ^{F3}(6A) expenses incurred in relation to premises falling within subsection (1)(b), the only deduction which the person may make for the period in respect of expenses incurred in relation to any other premises falling within subsection (1)(b) is a deduction under this section.]

- (7) The Treasury may by regulations amend subsection (5) so as to alter the rates or rate bands.]

Textual Amendments

- F1** Pt. 2 Ch. 5A inserted (with effect in accordance with Sch. 5 para. 6 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 5 para. 2](#)
- F2** Words in s. 94I(1)(b) substituted (with effect in accordance with s. 24(11) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 24\(9\)](#)
- F3** [S. 94I\(6A\)](#) inserted (with effect in accordance with s. 24(11) of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [s. 24\(10\)](#)

Status:

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