



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 2

#### TRADING INCOME

### CHAPTER 6

#### TRADE PROFITS: RECEIPTS

*[<sup>F1</sup>Cash basis: value of stock and work in progress on cessation*

#### **[<sup>F1</sup>97B Cash basis: value of work in progress on cessation of profession or vocation**

- (1) This section applies if—
  - (a) a person permanently ceases to carry on a profession or vocation in a tax year, and
  - (b) [<sup>F2</sup>the cash basis applies] in relation to the profession or vocation for the tax year.
- (2) The value of any work in progress at the time of the cessation is brought into account as a receipt in calculating the profits of the profession or vocation for the tax year.
- (3) The value is to be determined on a basis that is just and reasonable in all the circumstances.
- (4) If there is a change in the persons carrying on a profession, subsection (2) does not apply in relation to the profession so long as a person carrying on the profession immediately before the change continues to carry it on after the change.
- (5) In this section “work in progress” has the same meaning as in Chapter 12 (see section 183).]

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**Changes to legislation:** There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 97B. (See end of Document for details)

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### Textual Amendments

- F1** Ss. 97A, 97B and cross-heading inserted (with effect in accordance with Sch. 4 paras. 56, 57 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), **Sch. 4 para. 21**
- F2** Words in s. 97B(1)(b) substituted (6.4.2024 for the tax year 2024-25 and subsequent tax years) by [Finance Act 2024 \(c. 3\)](#), **Sch. 10 paras. 24, 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 97B.