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*Changes to legislation: There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading: Early trade losses relief. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 2

#### TRANSITIONALS AND SAVINGS

#### PART 5

#### LOSSES (EXCEPT LOSSES ON DISPOSAL OF SHARES)

##### *Early trade losses relief*

- 21 (1) This paragraph applies for the purposes of section 72 if the loss is made in the tax year 2007-08, 2008-09 or 2009-10.
- (2) Relief for the loss can be given for one or more of the tax years 2004-05, 2005-06 and 2006-07 (depending on the tax year in which the loss is made).
- (3) If relief for the loss is to be given for one or more of those tax years, the relief is given in the way in which it would have been given had it been given under section 381 of ICTA ignoring this Act (and section 73 of this Act is to be read accordingly).
- 22 (1) This paragraph applies if—
- (a) a person makes a loss (“the 2006-07 loss”) in a trade in the tax year 2006-07,
  - (b) relief under section 381 of ICTA is not available for the 2006-07 loss because of subsection (4) of that section,
  - (c) the person makes a loss (“the 2007-08 loss”) in the trade in the tax year 2007-08,
  - (d) (apart from this paragraph) relief under section 72 of this Act is not available for the 2007-08 loss because of section 74(1) of this Act,
  - (e) the basis period for the tax year 2007-08 overlaps with the tax year 2006-07, and
  - (f) ignoring this Act, subsection (4) of section 381 of ICTA would not have prevented relief under that section being available for the 2007-08 loss.
- (2) Section 74(1) of this Act is not to apply in relation to the 2007-08 loss.
- (3) This paragraph applies to professions and vocations as it applies to trades.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax Act 2007, Cross Heading:  
Early trade losses relief.