Income Tax Act 2007

2007 CHAPTER 3

PART 4

LOSS RELIEF

CHAPTER 4

LOSSES FROM PROPERTY BUSINESSES

[[F1]Restrictions on relief]

[[F1]127C Excess loss allocation to partners who are individuals

(1) Subsection (2) applies if—

(a) in a tax year, an individual (“A”) makes a loss in a UK property business or an overseas property business as a partner in a firm, and

(b) A's loss arises, wholly or partly—

(i) directly or indirectly in consequence of, or

(ii) otherwise in connection with,

relevant tax avoidance arrangements.

(2) No relevant loss relief may be given to A for A's loss.

(3) In subsection (1)(b) “relevant tax avoidance arrangements” means arrangements—

(a) to which A is party, and

(b) the main purpose, or one of the main purposes, of which is to secure that losses of a UK property business or an overseas property business are allocated, or otherwise arise, in whole or in part to A, rather than a person who is not an individual, with a view to A obtaining relevant loss relief.

(4) In subsection (3)(b) references to A include references to A and other individuals.

(5) For the purposes of subsection (3)(b) it does not matter if the person who is not an individual is not a partner in the firm or is unknown or does not exist.

(6) In this section—

“arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable), and

“relevant loss relief” means relief under section 118 (carry-forward property loss relief) or section 120 (property loss relief against general income).**]**

Textual Amendments

F1 S. 127C inserted (with effect in accordance with Sch. 17 para. 14 of the amending Act) by Finance Act 2014 (c. 26), **Sch. 17 para. 9(3)**

Changes to legislation:
There are currently no known outstanding effects for the Income Tax Act 2007, Section 127C.