



Income Tax Act 2007

2007 CHAPTER 3

PART 4

LOSS RELIEF

CHAPTER 2

TRADE LOSSES

Early trade losses relief

74 Restrictions on relief unless trade is commercial etc

- (1) Early trade losses relief for a loss made by an individual in a trade in a tax year is not available unless the trade is commercial.
- (2) The trade is commercial if it is carried on throughout the basis period for the tax year—
 - (a) on a commercial basis, and
 - (b) in such a way that profits of the trade could reasonably be expected to be made in the basis period or within a reasonable time afterwards.
- (3) If the trade forms part of a larger undertaking, the reference to profits of the trade is to be read as a reference to profits of the undertaking as a whole.
- (4) Early trade losses relief for a loss made by an individual is not available if—
 - (a) the individual first carries on the trade at a time when the individual has a spouse or civil partner and is living with the spouse or civil partner,
 - (b) the spouse or civil partner previously carried on the trade, and
 - (c) the loss is made in a tax year falling after the relevant 4 year period.
- (5) The relevant 4 year period comprises—
 - (a) the tax year in which the spouse or civil partner first carried on the trade, and
 - (b) the next 3 tax years.

Status: Point in time view as at 06/04/2018. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects
for the Income Tax Act 2007, Section 74. (See end of Document for details)

(6) This section applies to professions and vocations as it applies to trades.

Status:

Point in time view as at 06/04/2018. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Income Tax Act 2007, Section 74.