



Income Tax Act 2007

2007 CHAPTER 3

PART 4

LOSS RELIEF

CHAPTER 2

TRADE LOSSES

Terminal trade loss relief

89 Carry back of losses on a permanent cessation of a trade

- (1) A person may make a claim for terminal trade loss relief if the person—
 - (a) permanently ceases to carry on a trade in a tax year (“the final tax year”), and
 - (b) makes a terminal loss in the trade (see section 90).
- (2) The claim is for the total amount of terminal losses made in the trade by the person (“the relievable loss”) to be deducted in calculating the person’s net income for the final tax year and the 3 previous tax years (see Step 2 of the calculation in section 23).
- (3) But a deduction for that purpose is to be made only from profits of the trade.
- (4) This section applies to professions and vocations as it applies to trades (and sections 90 and 91 are to be read accordingly).
- (5) This section needs to be read with—
 - (a) section 91 (how relief works),
 - (b) section 92 (use of trade-related interest and dividends if trade profits insufficient),
 - (c) section 93 (mineral extraction trade and carry back of balancing allowances), and
 - (d) section 94 (carry back of certain interest as loss).