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*Status: Point in time view as at 16/11/2017.*

*Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 2017, Paragraph 52. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 2

#### TRADES AND PROPERTY BUSINESSES: CALCULATION OF PROFITS

#### PART 3

#### TRADES ETC: AMENDMENTS OF OTHER ACTS

#### CAA 2001

- 52 (1) Section 59 (unrelieved qualifying expenditure) is amended as follows.
- (2) In subsection (4), for “no amount may be carried forward as unrelieved qualifying expenditure” substitute “ any cash basis deductible amount may not be carried forward as unrelieved qualifying expenditure in a pool for the trade, profession or vocation ”.
- (3) After subsection (4) insert—
- “(4A) If a person carrying on a property business enters the cash basis for a tax year, any cash basis deductible amount may not be carried forward as unrelieved qualifying expenditure in a pool for a relevant qualifying activity from the chargeable period which is the previous tax year.”
- (4) Omit subsection (5).
- (5) After subsection (5) insert—
- “(5A) A “cash basis deductible amount” means any amount of unrelieved qualifying expenditure for which a deduction would be allowed in calculating the profits of the trade, profession, vocation or property business (as the case may be) on the cash basis on the assumption that the expenditure was paid in the tax year for which the person enters the cash basis.”
- (6) In subsection (6), for “the amount of unrelieved qualifying expenditure incurred on the provision of a car” substitute “ any cash basis deductible amount ”.
- (7) For subsection (7) substitute—
- “(7) Subsections (9), (10) and (11) of section 1A (capital allowances and charges: cash basis) apply for the purposes of this section as they apply for the purposes of that section.
- (7A) In subsection (4A) “relevant qualifying activity” means—
- in relation to a UK property business, an ordinary UK property business and a UK furnished holiday lettings business, and
  - in relation to an overseas property business, an ordinary overseas property business and an EEA furnished holiday lettings business.”

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