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STATUTORY INSTRUMENTS

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**2002 No. 2006**

The Tax Credits (Definition and  
Calculation of Income) Regulations 2002

PART 2

Income for the purposes of tax credits

CHAPTER 8

*Property income*

**Property income**

**11.**—(1) In these Regulations “property income” means the annual taxable profits arising from a business carried on for the exploitation, as a source of rents or other receipts, of any estate, interest or rights in or over land in the United Kingdom.

Expressions which are used in this paragraph which are defined in [<sup>F1</sup>Part 3 of ITTOIA] for the purposes of [<sup>F2</sup>that Part] bear the same meaning here as they bear in [<sup>F2</sup>that Part].

This paragraph is subject to the following [<sup>F3</sup>qualifications].

[<sup>F4</sup>(2) In calculating property income there shall be disregarded any profits—

- (a) treated as nil by section 791 to 794 of ITTOIA (full rent-a-room relief); or
- (b) excluded from profits by section 795 to 798 of ITTOIA (alternative calculation of profits if amount exceeds limit).]

[<sup>F5</sup>(2A) In calculating property income, the restrictions in section 272A of ITTOIA (restricting deductions for finance costs related to residential property) and section 399A of ITA (property partnerships: restriction of relief for investment loan interest) shall be disregarded.]

[<sup>F6</sup>(3) [<sup>F7</sup>Where a property business (as defined in Part 3 of ITTOIA)] makes a loss to which the relief provisions [<sup>F8</sup>contained in sections 118 (carry forward against subsequent property business profits) and 119 (how relief works) of ITA] apply, then such relief as may arise under [<sup>F9</sup>those sections] shall be applied in calculating property income for the purposes of this regulation.]

**Textual Amendments**

- F1** Words in reg. 11(1) substituted (6.4.2006) by [The Tax Credits \(Miscellaneous Amendments\) Regulations 2006 \(S.I. 2006/766\)](#), regs. 1, **15(2)(a)**
- F2** Words in reg. 11(1) substituted (6.4.2006) by [The Tax Credits \(Miscellaneous Amendments\) Regulations 2006 \(S.I. 2006/766\)](#), regs. 1, **15(2)(b)**
- F3** Word in reg. 11(1) substituted (26.11.2003) by [The Tax Credits \(Miscellaneous Amendments No.2\) Regulations 2003 \(S.I. 2003/2815\)](#), regs. 1, **9(2)**

**Status:** Point in time view as at 06/04/2017.

**Changes to legislation:** There are currently no known outstanding effects for the The Tax Credits (Definition and Calculation of Income) Regulations 2002, Section 11. (See end of Document for details)

- F4** Reg. 11(2) substituted (6.4.2006) by The Tax Credits (Miscellaneous Amendments) Regulations 2006 (S.I. 2006/766), regs. 1, **15(3)**
- F5** Reg. 11(2A) inserted (with effect in accordance with reg. 1(2) of the amending S.I.) by The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2017 (S.I. 2017/396), regs. 1(1), **5**
- F6** Reg. 11(3) added (26.11.2003) by The Tax Credits (Miscellaneous Amendments No.2) Regulations 2003 (S.I. 2003/2815), regs. 1, **9(3)**
- F7** Words in reg. 11(3) substituted (6.4.2006) by The Tax Credits (Miscellaneous Amendments) Regulations 2006 (S.I. 2006/766), regs. 1, **15(4)**
- F8** Words in reg. 11(3) substituted (16.5.2007) by The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2007 (S.I. 2007/1305), regs. 1, **6(2)(a)**
- F9** Words in reg. 11(3) substituted (16.5.2007) by The Tax Credits (Definition and Calculation of Income) (Amendment) Regulations 2007 (S.I. 2007/1305), regs. 1, **6(2)(b)**

**Modifications etc. (not altering text)**

- C1** Reg. 11(1) modified (E.W.S.) (29.4.2013) by The Universal Credit (Transitional Provisions) Regulations 2013 (S.I. 2013/386), regs. 1(2), 17, **Sch. para. 25(a)(b)**

**Status:**

Point in time view as at 06/04/2017.

**Changes to legislation:**

There are currently no known outstanding effects for the The Tax Credits (Definition and Calculation of Income) Regulations 2002, Section 11.