



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 10

GENERAL PROVISIONS

CHAPTER 3

SUPPLEMENTARY AND GENERAL PROVISIONS

Orders and regulations

873 Orders and regulations made by Treasury or [^{F1}Commissioners]

- (1) Any power of the Treasury or [^{F2}the Commissioners for Her Majesty's Revenue and Customs] to make any order or regulations under this Act is exercisable by statutory instrument.
- (2) Any statutory instrument containing any order or regulations made by the Treasury or [^{F2}the Commissioners for Her Majesty's Revenue and Customs] under this Act is subject to annulment in pursuance of a resolution of the House of Commons.
- (3) Subsection (2) does not apply in relation to any order or regulations made under—
 - (a) section 86 (meaning of “urban regeneration company”),
 - (b) section 724 (purchased life annuity payments),
 - [^{F3}(ba) section 608N (offshore receipts in respect of intangible property),]
 - (c) section 774 (income from securities issued by designated international organisations),
 - [^{F4}(ca) section 828A (qualifying care relief: indexation of amounts),] or
 - (d) section 883(5) (transitional or saving provision).

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[^{F5}(4) Further, subsection (2) does not apply if any other Parliamentary procedure is expressly provided to apply in relation to the order or regulations.]

Textual Amendments

- F1** Word in s. 873 substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), ss. 50, 53(1), [Sch. 4 para. 132\(3\)\(h\)](#); S.I. 2005/1126, [art. 2\(2\)\(h\)](#)
- F2** Words in s. 873(1)(2) substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), ss. 50, 53(1), [Sch. 4 para. 132\(2\)](#); S.I. 2005/1126, [art. 2\(2\)\(h\)](#)
- F3** S. 873(3)(ba) inserted (with effect in accordance with Sch. 3 para. 7 of the amending Act) by [Finance Act 2019 \(c. 1\)](#), [Sch. 3 para. 5](#)
- F4** S. 873(3)(ca) inserted (6.4.2023 for the tax year 2023-24 and subsequent tax years) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [s. 28\(5\)\(6\)](#)
- F5** S. 873(4) inserted (with effect in accordance with Sch. 19 para. 14 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 19 para. 8](#)

Modifications etc. (not altering text)

- C1** S. 873(4) excluded by 2009 c. 10, Sch. 19 para. 14(3) (as inserted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 66\(3\)](#))

Interpretation

874 Activities in UK sector of continental shelf

(1) Any profits—

- (a) from exploration or exploitation activities carried on in the UK sector of the continental shelf, or
- (b) from exploration or exploitation rights,

are treated for income tax purposes as profits from activities or property in the United Kingdom.

(2) In this section—

“exploration or exploitation activities” means activities carried on in connection with the exploration or exploitation of so much of the seabed and subsoil and their natural resources as is situated in the United Kingdom or the UK sector of the continental shelf,

“exploration or exploitation rights” means rights to assets to be produced by exploration or exploitation activities or interests in or to the benefit of such assets, and

“the UK sector of the continental shelf” means the areas designated by Order in Council under section 1(7) of the Continental Shelf Act 1964 (c. 29).

875 Meaning of “caravan”

(1) In this Act “caravan” means—

- (a) a structure designed or adapted for human habitation which is capable of being moved by being towed or being transported on a motor vehicle or trailer, or
- (b) a motor vehicle designed or adapted for human habitation,

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but does not include railway rolling stock which is on rails forming part of a railway system or any tent.

- (2) A structure composed of two sections—
- (a) separately constructed, and
 - (b) designed to be assembled on a site by means of bolts, clamps or other devices,
- is not prevented from being a caravan just because it cannot, when assembled, be lawfully moved on a highway (or, in Scotland or Northern Ireland, road) by being towed or being transported on a motor vehicle or trailer.

876 Meaning of “farming” and related expressions

F6

Textual Amendments

- F6** S. 876 repealed (6.4.2007 with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, 1034, Sch. 1 para. 583, **Sch. 3 Pt. 1** (with transitional provisions and savings in Sch. 2)

877 Meaning of grossing up

F7

Textual Amendments

- F7** S. 877 repealed (6.4.2007 with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, 1034, Sch. 1 para. 584, **Sch. 3 Pt. 1** (with transitional provisions and savings in Sch. 2)

878 Other definitions

- (1) In this Act, unless otherwise indicated (whether expressly or by implication)—

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F9

“houseboat” means a boat or similar structure designed or adapted for use as a place of human habitation, [F10 and]

F11 “income” includes amounts treated as income (whether expressly or by implication),

F8

“non-UK resident” means not resident in the United Kingdom (and references to a non-UK resident or a non-UK resident person are to a person who is not resident there),

“normal self-assessment filing date”, in relation to a tax year, means the 31st January following the tax year,

“personal representatives”, in relation to a person who has died, means—

- (a) in the United Kingdom, persons responsible for administering the estate of the deceased, and

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(b) in a territory outside the United Kingdom, those persons having functions under its law equivalent to those of administering the estate of the deceased,

“tax year”, in relation to income tax, means a year for which any Act provides for income tax to be charged,

“the tax year 2005-06” means the tax year beginning on 6th April 2005 (and any corresponding expression in which two years are similarly mentioned is to be read in the same way), and

“UK resident” means resident in the United Kingdom (and references to a UK resident or a UK resident person are to a person who is resident there).

^{F12}(2)

(3) In this Act any reference to a claim or election is to a claim or election in writing or in any form authorised (in relation to the case in question) by directions under [^{F13}section 43E(1) of TMA 1970].

(4) For further information about claims and elections, see TMA 1970 [^{F14}more generally (but in] particular, section 42(2), (10) and (11) and Schedule 1A).

(5) [^{F15}Section 993 of ITA 2007] (how to tell whether persons are connected) applies for the purposes of this Act unless otherwise indicated (whether expressly or by implication).

(6) [^{F16}Section 995 of ITA 2007 (meaning of “control”)] applies for the purposes of this Act unless otherwise indicated (whether expressly or by implication).

Textual Amendments

- F8** S. 878(1): definitions of "the Board of Inland Revenue" and "the Inland Revenue" repealed (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), ss. 50, 52, 53(1), Sch. 4 para. 134(1), [Sch. 5](#); [S.I. 2005/1126](#), [art. 2\(2\)\(h\)\(i\)](#)
- F9** S. 878(1): definition of 'charity' repealed (6.4.2007 with effect as stated in [s. 1034\(1\)](#) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, 1034, Sch. 1 para. 585(2)(a), [Sch. 3 Pt. 1](#) (with transitional provisions and savings in [Sch. 2](#))
- F10** Word in s. 878(1) inserted (6.4.2007 with effect as stated in [s. 1034\(1\)](#) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1034, [Sch. 1 para. 585\(2\)\(b\)](#) (with transitional provisions and savings in [Sch. 2](#))
- F11** By [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, 1034, Sch. 1 para. 585(2)(c), [Sch. 3 Pt. 1](#) it is provided that the words in s. 878(1) after the definition of 'income' are repealed (6.4.2007 with effect as stated in [s. 1034\(1\)](#) of the amending Act) (with transitional provisions and savings in [Sch. 2](#))
- F12** S. 878(2) omitted (with effect in accordance with Sch. 7 para. 81 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 71](#)
- F13** Words in s. 878(3) substituted (1.4.2010) (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 7 para. 90\(2\)](#) (with [Sch. 9 paras. 1-9, 22](#))
- F14** Words in s. 878(4) substituted (1.4.2010) (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 7 para. 90\(3\)](#) (with [Sch. 9 paras. 1-9, 22](#))
- F15** Words in s. 878(5) substituted (6.4.2007 with effect as stated in [s. 1034\(1\)](#) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1034, [Sch. 1 para. 585\(3\)](#) (with transitional provisions and savings in [Sch. 2](#))

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- F16** Words in s. 878(6) substituted (6.4.2007 with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1034, [Sch. 1 para. 585\(4\)](#) (with transitional provisions and savings in [Sch. 2](#))

879 Interpretation: Scotland

- (1) In the application of this Act to Scotland—
F17
“mortgage” means—
(a) a standard security, or
(b) a heritable security, as defined in the Conveyancing (Scotland) Act 1924 (c. 27), but including a security constituted by ex facie absolute disposition or assignation,
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F17
- (2) **F18**
- (3) In the application of section 755 (interest on foreign currency securities etc. owned by non-UK residents) to Scotland, “Act” includes an Act of the Scottish Parliament.
- (4) In the application of sections 769 (housing grants) and 882 (consequential amendments) and Part 1 of Schedule 2 (transitionals and savings: general provisions) to Scotland, “enactment” includes an enactment comprised in, or in an instrument made under, an Act of the Scottish Parliament.
- (5) The express provision made by subsection (4) does not affect the construction of “enactment” in the application of section 631 (retained and accumulated income) to Scotland.

Textual Amendments

- F17** [S. 879\(1\)](#): definitions of 'assignment' and 'surrender' and word preceding definition of 'surrender' repealed (6.4.2007 with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, 1034, [Sch. 1 para. 586\(a\)](#), [Sch. 3 Pt. 1](#) (with transitional provisions and savings in [Sch. 2](#))
- F18** [S. 879\(2\)](#) repealed (6.4.2007 with effect as stated in s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), ss. 1027, 1031, 1034, [Sch. 1 para. 586\(b\)](#), [Sch. 3 Pt. 1](#) (with transitional provisions and savings in [Sch. 2](#))

880 Interpretation: Northern Ireland

- (1) In the application of section 755 (interest on foreign currency securities etc. owned by non-UK residents) to Northern Ireland, “Act” includes any Act, Order in Council or Measure constituting Northern Ireland legislation.
- (2) In the application of section 769 (housing grants) and 882 (consequential amendments) and Part 1 of Schedule 2 (transitionals and savings: general provisions) to Northern Ireland, “enactment” includes an enactment comprised in, or in an instrument made under, Northern Ireland legislation.

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- (3) The express provision made by subsection (2) does not affect the construction of “enactment” in the application of section 631 (retained and accumulated income) to Northern Ireland.

General and final

F19 881 Disapplication of corporation tax: section 9 of ICTA

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Textual Amendments

- F19** [S. 881](#) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), Sch. 1 para. 644, [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

882 Consequential amendments

- (1) Schedule 1 (which contains consequential amendments) has effect.
- (2) The Treasury may by order make such modifications of any enactment or provision made under an enactment as the Treasury consider appropriate in consequence of this Act.
- (3) In subsection (2) “modifications” includes amendments or repeals.
- (4) An order under subsection (2)—
 - (a) must not change the effect of the law as it was immediately before 6th April 2005, and
 - (b) may include such transitional or saving provision as the Treasury consider appropriate.
- (5) Subsection (4)(a) does not apply so far as an order contains provision made in consequence of a change already made by this Act in the effect of the law.

Commencement Information

- II** [S. 882](#) wholly in force at 6.4.2005; [s. 882\(2\)-\(5\)](#) in force at Royal Assent and s. 882(1) in force at 6.4.2005 see [s. 883](#)

883 Commencement and transitional provisions etc.

- (1) This Act comes into force on 6th April 2005 and has effect—
 - (a) for income tax purposes, for the tax year 2005-06 and subsequent tax years, and
 - (b) for corporation tax purposes, for accounting periods ending after 5th April 2005.
- (2) Subsection (1) is subject to subsections (3) to (5) (including Schedule 2).
- (3) Subsection (1) does not apply to the following provisions of this Act (which therefore come into force on the passing of this Act)—

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- (a) section 873 (orders and regulations made by Treasury or [^{F20}Commissioners]),
 - (b) sections 875 to 881 (certain interpretation and general provisions),
 - (c) section 882(2) to (5) (power to make consequential amendments),
 - (d) this section other than subsection (4) below,
 - (e) section 885 and Schedule 4 (abbreviations and general index),
 - (f) section 886 (short title), and
 - (g) paragraphs 78 and 148(5) of Schedule 2 (powers relating to open-ended investment companies and periodical payments of personal injury damages etc.) and subsection (4) below so far as it applies for the purposes of those provisions.
- (4) Schedule 2 (which contains transitional provisions and savings etc.) has effect.
- (5) The Treasury may by order make such transitional or saving provision as the Treasury consider appropriate in connection with the coming into force of this Act.

Textual Amendments

F20 Word in s. 883(3) substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005](#) (c. 11), ss. 50, 53(1), [Sch. 4 para. 132\(3\)\(i\)](#); S.I. 2005/1126, [art. 2\(2\)\(h\)](#)

Commencement Information

I2 [S. 883](#) wholly in force at 6.4.2005; [s. 883\(1\)-\(3\)\(5\)](#) in force at Royal Assent and [s. 883\(4\)](#) in force for certain purposes at Royal Assent and [s. 883\(4\)](#) in force at 6.4.2005 in so far as not already in force see [s. 883](#)

884 Repeals and revocations

Schedule 3 (which contains repeals and revocations of enactments including certain spent enactments) has effect.

885 Abbreviations and general index in Schedule 4

- (1) Schedule 4 (which contains abbreviations and defined expressions that apply for the purposes of this Act) has effect.
- (2) Part 1 of that Schedule gives the meaning of the abbreviated references to Acts used in this Act.
- (3) Part 2 of that Schedule lists the places where expressions used in this Act are defined or otherwise explained—
 - (a) in this Act for the purposes of this Act or for purposes including this Act,
 - (b) in this Act for the purposes of a Part or Chapter of this Act, or
 - (c) in [^{F21}another Act] for the purposes of this Act.

Textual Amendments

F21 Words in [s. 885\(3\)\(c\)](#) substituted (6.4.2007 with effect as stated in [s. 1034\(1\)](#) of the amending Act) by [Income Tax Act 2007](#) (c. 3), ss. 1027, 1034, [Sch. 1 para. 587](#) (with transitional provisions and savings in [Sch. 2](#))

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886 Short title

This Act may be cited as the Income Tax (Trading and Other Income) Act 2005.

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 7A-7D inserted by [2022 c. 3 Sch. 1 para. 3](#)
- s. 31E(4) inserted by [2022 c. 3 Sch. 1 para. 7\(3\)](#)
- s. 649(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 11\(2\)](#)
- s. 679(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(5\)\(b\)](#)
- s. 679A(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(6\)\(b\)](#)
- s. 680(1A) inserted by [2023 c. 30 Sch. 2 para. 11\(7\)\(a\)](#)