



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 2

TRADING INCOME

CHAPTER 5

TRADE PROFITS: RULES ALLOWING DEDUCTIONS

Seconded employees

70 Employees seconded to charities and educational establishments

- (1) This section applies if a person carrying on a trade (“the employer”) makes the services of a person employed for the purposes of the trade available to—
 - (a) a charity, or
 - (b) an educational establishment,on a basis that is stated and intended to be temporary.
- (2) In calculating the profits of the trade, a deduction is allowed for expenses of the employer that are attributable to the employee's employment during the period of the secondment.
- (3) In this section—

“educational establishment” means—

 - (a) in England and Wales, any of the bodies mentioned in section 71(1),
 - (b) in Scotland, any of the bodies mentioned in section 71(2),
 - (c) in Northern Ireland, any of the bodies mentioned in section 71(3), and

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(d) any other educational body which is for the time being approved for the purposes of this section by the Secretary of State or, in Northern Ireland, the Department of Education, and

“the period of the secondment” means the period for which the employee’s services are made available to the charity or educational establishment.

71 Educational establishments

(1) A body in England and Wales is an educational establishment for the purposes of section 70 if it is—

- [^{F1}(a) a local authority (but only to the extent that the services of the employee are made available to the authority for the purposes of, or in connection with, the education functions of the authority),]
- (b) an educational institution maintained or otherwise supported[^{F2}, in the exercise of their education functions, by a local authority],
- (c) an independent school within the meaning of the Education Act 1996 (c. 56) registered under section 161 of the Education Act 2002 (c. 32), ^{F3}...
- [^{F4}(ca) an alternative provision Academy that is not an independent school within the meaning of the Education Act 1996,]
- (d) an institution within the further education sector, or the higher education sector, within the meaning of the Further and Higher Education Act 1992 (c. 13)[^{F5}, or
- (e) a 16 to 19 Academy.]

(2) A body in Scotland is an educational establishment for the purposes of section 70 if it is—

- (a) an education authority within the meaning of the Education (Scotland) Act 1980 (c. 44),
- (b) an educational establishment within the meaning of the Education (Scotland) Act 1980 managed by an education authority within the meaning of that Act,
- (c) a public or grant-aided school within the meaning of the Education (Scotland) Act 1980,
- (d) an independent school within the meaning of the Education (Scotland) Act 1980,
- (e) a central institution within the meaning of the Education (Scotland) Act 1980,
- (f) an institution within the higher education sector within the meaning of section 56(2) of the Further and Higher Education (Scotland) Act 1992 (c. 37), or
- (g) a college of further education within the meaning of section 36(1) of the Further and Higher Education (Scotland) Act 1992.

(3) A body in Northern Ireland is an educational establishment for the purposes of section 70 if it is—

- (a) an [^{F6}education and library board] within the meaning of the Education and Libraries (Northern Ireland) Order 1986 (S.I. 1986/594 (N.I. 3)),
- (b) a college of education[^{F7}, a grant-aided school or an] independent school within the meaning of the Education and Libraries (Northern Ireland) Order 1986, or
- (c) an institution of further education within the meaning of the Further Education (Northern Ireland) Order 1997 (S.I. 1997/1772 (N.I. 15)).

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[^{F8}(4) In subsection (1) “local authority” and “education functions” have the same meaning as in the Education Act 1996 (see section 579(1) of that Act).]

Textual Amendments

- F1** S. 71(1)(a) substituted (5.5.2010) by [The Local Education Authorities and Children’s Services Authorities \(Integration of Functions\) Order 2010 \(S.I. 2010/1158\)](#), art. 1, **Sch. 2 para. 56(2)**
- F2** Words in s. 71(1)(b) substituted (5.5.2010) by [The Local Education Authorities and Children’s Services Authorities \(Integration of Functions\) Order 2010 \(S.I. 2010/1158\)](#), art. 1, **Sch. 2 para. 56(3)**
- F3** Word in s. 71(1) omitted (1.4.2012) by virtue of [Education Act 2011 \(c. 21\)](#), s. 82(3), **Sch. 13 para. 14**; [S.I. 2012/924](#), art. 2
- F4** S. 71(1)(ca) inserted (E.W.) (1.4.2012) by [The Alternative Provision Academies \(Consequential Amendments to Acts\) \(England\) Order 2012 \(S.I. 2012/976\)](#), art. 1, **Sch. para. 15** (with art. 3)
- F5** S. 71(1)(e) and word inserted (1.4.2012) by [Education Act 2011 \(c. 21\)](#), s. 82(3), **Sch. 13 para. 14**; [S.I. 2012/924](#), art. 2
- F6** Words in s. 71(3)(a) substituted (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. 596(2)(a)** (with Sch. 2 Pts. 1, 2)
- F7** Words in s. 71(3)(b) substituted (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. 596(2)(b)** (with Sch. 2 Pts. 1, 2)
- F8** S. 71(4) added (5.5.2010) by [The Local Education Authorities and Children’s Services Authorities \(Integration of Functions\) Order 2010 \(S.I. 2010/1158\)](#), art. 1, **Sch. 2 para. 56(4)**

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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\(7\)\(a\)](#)