



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 9

PARTNERSHIPS

Calculation of partners' shares

[^{F1}850 Allocation of firm's profits or losses between partners

- (1) For any period of account a partner's share of a profit or loss of a trade carried on by a firm is determined for income tax purposes in accordance with the firm's profit-sharing arrangements during that period.

This is subject to sections 850A [^{F2}to 850D][^{F3}and section 12ABZB of TMA 1970 (partnership return is conclusive)].

- (2) In this section and sections 850A and 850B “profit-sharing arrangements” means the rights of the partners to share in the profits of the trade and the liabilities of the partners to share in the losses of the trade.]

Textual Amendments

- F1** Ss. 850-850B substituted for s. 850 (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. 640](#) (with [Sch. 2 Pts. 1, 2](#))
- F2** Words in s. 850(1) substituted (5.12.2013) (retrospective and with effect in accordance with [Sch. 17 paras. 12, 13](#) of the amending Act) by [Finance Act 2014 \(c. 26\), Sch. 17 paras. 7\(2\), 11](#)
- F3** Words in s. 850(1) inserted (with effect in accordance with [Sch. 6 para. 14](#) of the amending Act) by [Finance Act 2018 \(c. 3\), Sch. 6 para. 11](#)

Changes to legislation:

There are outstanding changes not yet made by the legislation.gov.uk editorial team to Income Tax (Trading and Other Income) Act 2005. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

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