



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 10

GENERAL PROVISIONS

CHAPTER 2

GENERAL CALCULATION RULES ETC.

Calculation of losses

872 Losses calculated on same basis as miscellaneous income

- (1) The same rules apply for income tax purposes in calculating miscellaneous losses as apply in calculating corresponding miscellaneous income.
- (2) This is subject to any express provision to the contrary.
- (3) In this section—
 - (a) “miscellaneous income” means profits or other income charged to income tax under or by virtue of a provision to which [^{F1}section 1016 of ITA 2007] applies, and
 - (b) “miscellaneous losses” means losses arising from a transaction which is of such a nature that, if profits or other income had arisen from it, the income would have been charged to income tax under or by virtue of such a provision.
- (4) Provision corresponding to that made by this section is made by—
 - (a) section 26 (in relation to trades, professions and vocations), and
 - (b) [^{F2}sections 272 and 272ZA] (in relation to property businesses).

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. (See end of Document for details) [View outstanding changes](#)

Textual Amendments

- F1** Words in s. 872(3)(a) 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. 582](#) (with transitional provisions and savings in [Sch. 2](#))
- F2** Words in [s. 872\(4\)\(b\)](#) substituted (16.11.2017) (with effect in accordance with [Sch. 2 para. 64](#) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 2 para. 40](#)

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