
Changes to legislation: Finance Act 2011, Cross Heading: CTA 2009 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 14

FURNISHED HOLIDAY LETTINGS

PART 2

CORPORATION TAX

CTA 2009

- 7 (1) CTA 2009 is amended as follows.
- (2) In section 264 (overview of Chapter)—
- (a) after subsection (2) insert—

“(2A) It matters whether an overseas property business consists of or includes the commercial letting of furnished holiday accommodation in one or more EEA states for the purposes of—

 - (a) Chapter 4 of Part 4 of CTA 2010 (relief for property business losses: see section 67A of that Act),
 - (b) certain provisions of TCGA 1992 (see section 241A of that Act), and
 - (c) CAA 2001 (see, for example, sections 250 and 250A of that Act).”
 - (b) in subsection (3), for “the above provisions” substitute “ the provisions mentioned in subsection (2) ”, and
 - (c) after subsection (3) insert—

“(4) This Chapter also supplements the provisions mentioned in subsection (2A) by providing in certain circumstances for the profits of the EEA furnished holiday lettings part of an overseas property business to be calculated separately (see sections 250 and 250A).”
- (3) In section 267 (meaning of “qualifying holiday accommodation”)—
- (a) in subsection (2), for “140 days” substitute “ 210 days ”, and
 - (b) in subsection (3), for “70 days” substitute “ 105 days ”.
- (4) In section 268 (under-used holiday accommodation: averaging elections)—
- (a) in subsection (3), for “70” substitute “ 105 ”, and
 - (b) after subsection (6) insert—

“(7) This section is to apply separately in relation to accommodation in the United Kingdom and accommodation in EEA states other than the United Kingdom.”

Changes to legislation: Finance Act 2011, Cross Heading: CTA 2009 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(5) After section 268 insert—

“268A Under-used holiday accommodation: letting condition not met

- (1) This section applies if—
- (a) during an accounting period a company lets qualifying holiday accommodation,
 - (b) the accommodation is let by the company—
 - (i) during the next accounting period, or
 - (ii) during the next two accounting periods,
 - (c) the accommodation would (apart from this section) not be qualifying holiday accommodation—
 - (i) during the accounting period mentioned in paragraph (b)(i), or
 - (ii) during both of the accounting periods mentioned in paragraph (b)(ii),
 only because of a failure to meet the letting condition (see section 267(3)), and
 - (d) there was a genuine intention to meet the letting condition for the period within subsection (1)(c)(i) or each of the periods within subsection (1)(c)(ii) (as the case may be).
- (2) If the company makes an election in respect of that accommodation for any accounting period in respect of which the failure mentioned in subsection (1) (c) occurs, the accommodation is to be treated as qualifying holiday accommodation for that accounting period.
- (3) Subsection (2) does not apply for the purposes of section 268 or subsection (1)(a).
- (4) If an election is not made for the first of the accounting periods within subsection (1)(c)(ii), an election may not be made for the second.
- (5) An election for an accounting period must be made within the period of two years beginning at the end of the accounting period.
- (6) References in subsection (1)(a) and (c) to qualifying holiday accommodation include accommodation treated as such under section 268.”

(6) In section 269 (capital allowances and loss relief), in the heading, for “**relief**” substitute “ **relief: UK property business** ”.

(7) After section 269 insert—

“269A Capital allowances and loss relief: overseas property business

- (1) If an overseas property business consists of both—
- (a) the commercial letting of furnished holiday accommodation in one or more EEA states (“the EEA furnished holiday lettings part”), and
 - (b) other businesses or transactions (“the other part”),
- this section requires separate calculations to be made of the profits of the EEA furnished holiday lettings part and the other part.

Changes to legislation: Finance Act 2011, Cross Heading: CTA 2009 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

- (2) The calculations must be made if—
- (a) section 250 or 250A of CAA 2001 (giving effect to allowances and charges) applies to the EEA furnished holiday lettings part or the other part, or
 - (b) any provision of Chapter 2, 4 or 6 of Part 4 of CTA 2010 (loss relief) applies in relation to a loss made in either of those parts.
- (3) If there is a letting of accommodation only part of which is holiday accommodation, such apportionments are to be made for the purposes of this section as are just and reasonable.”
- (8) In section 748 (assets held for purposes of property business)—
- (a) in subsection (4), for paragraphs (a) to (c) substitute—
 - “(a) an ordinary UK property business,
 - (b) a UK furnished holiday lettings business,
 - (c) an ordinary overseas property business, or
 - (d) an EEA furnished holiday lettings business.”, and
 - (b) for subsection (5) substitute—
 - “(5) In this section—
 - “commercial letting of furnished holiday accommodation” has the meaning given by section 265,
 - “EEA furnished holiday lettings business” means an overseas property business so far as it consists of the commercial letting of furnished holiday accommodation in one or more EEA states,
 - “ordinary overseas property business” means an overseas property business except so far as it is an EEA furnished holiday lettings business,
 - “ordinary UK property business” means a UK property business except so far as it is a UK furnished holiday lettings business, and
 - “UK furnished holiday lettings business” means a UK property business so far as it consists of the commercial letting of furnished holiday accommodation.”

Changes to legislation:

Finance Act 2011, Cross Heading: CTA 2009 is up to date with all changes known to be in force on or before 21 April 2024. There are changes that may be brought into force at a future date. Changes that have been made 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):

- Sch. 23 para. 45(1)(ia) inserted by [2017 c. 10 Sch. 11 para. 6\(3\)](#)
- Sch. 23 para. 2(1A) inserted by [S.I. 2019/397 reg. 2\(2\)](#) (This amendment not applied to [legislation.gvo.uk](#). Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)
- Sch. 23 para. 15A inserted by [S.I. 2019/397 reg. 2\(3\)](#) (This amendment not applied to [legislation.gvo.uk](#). Amending Regulations revoked on IP completion day by S.I. 2020/1544, regs. 1, 8; S.I. 2020/1641, reg. 2, Sch.)