
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, Cross Heading: ITA 2007. (See end of Document for details)

SCHEDULES

SCHEDULE 4

CASH BASIS FOR SMALL BUSINESSES

PART 2

CONSEQUENTIAL AMENDMENTS

ITA 2007

F154

Textual Amendments

F1 Sch. 4 para. 54 omitted (with effect for the tax year 2024-25 and subsequent tax years) by virtue of Finance Act 2024 (c. 3), Sch. 10 paras. 46(b), 47 (with Sch. 10 paras. 48-50)

- 55 (1) Chapter 1 of Part 8 of ITA 2007 (relief for interest payments) is amended as follows.
- (2) In section 383(5), after paragraph (a) insert—
“(aa) section 384B (restriction on relief where cash basis applies),”.
- (3) After section 384A insert—

“384B Restriction on relief where cash basis applies

- (1) Relief is not to be given under this Chapter for a tax year for interest paid by a person on a relevant loan if the partnership to which the loan relates has made an election under section 25A of ITTOIA 2005 (cash basis for small businesses) for the tax year.
- (2) A loan is a “relevant loan” if—
- (a) it is a loan to which section 388 applies (loan to buy plant or machinery for partnership use), or
 - (b) it is a loan to which section 398 applies (loan to invest in partnership) and which is not used for purchasing a share in a partnership.”

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2013, Cross Heading: ITA 2007.