

Supplementary provisions as to tax under section 91 or 94. FA70 s21; CTA76 s164 and Sch3 PtII 95.—(1) In the case of a transfer for value of the right to receive any sums described in section 91 (1) or 94, any tax chargeable by virtue of either of those sections shall be charged in respect of the amount or value of the consideration (or, in the case of a transfer otherwise than at arm's length, in respect of the value of the right transferred as between parties at arm's length), and references in those sections to sums received shall be construed accordingly.

(2) Where an individual is chargeable to tax by virtue of section 91 in respect of any sums received after the discontinuance of a trade or profession, and the profits or gains of the trade or profession to which such individual was entitled before the discontinuance fell to be treated as earned income for the purposes of the Income Tax Acts, those sums shall also be treated as earned income for those purposes but after any reduction in those sums under section 93.

(3) Where any sum chargeable to tax by virtue of section 91 or 94 is received in any year of assessment beginning not later than 10 years after the discontinuance or, as the case may be, change of basis by the person by whom the trade or profession was carried on before the discontinuance or change or by such person's personal representatives, such person or (in either case) such person's personal representatives may, by notice in writing sent to the inspector within 2 years after the end of that year of assessment, elect that the tax so chargeable shall be charged as if the sum in question were received on the date on which the discontinuance took place or, as the case may be, on the last day of the period at the end of which the change took place, and, in any such case, an additional assessment shall (2)) be made accordingly and, in connection with that assessment, no further deduction or relief shall be made or given in respect of any loss or allowance deducted in pursuance of section 91 (4).

(4) Where work in progress at the discontinuance of a profession, or the responsibility for its completion, is transferred, the sums to which section 91 applies include any sums received by means of consideration for the transfer and any sums received by means of realisation by the transferee on behalf of the transferor of the work in progress transferred.

(5) No amount shall be deducted under section 91 (4) if that amount has been allowed under any other provision of the Tax Acts.

(6) No amount shall be deducted more than once under section 91 (4) and, as between sums chargeable for one year of assessment and sums chargeable for a subsequent year of assessment, any deduction in respect of a loss or capital allowance shall be made against sums chargeable for the earlier year of assessment but, in the case of a loss which by virtue of this subsection or section 91 (4) is to be allowed after the discontinuance, a deduction shall not be made from any sum chargeable for a year of assessment preceding that in which the loss is incurred.