

Relief under Case IV for losses. ITA67 s310; FA97 s146(1) and Sch9 Ptl par1(22) 383.—(1) Where in any year of assessment a person sustains a loss in any transaction (being a transaction of such kind that, if any profits had arisen from the transaction, such person would have been liable to be assessed in respect of those profits under Case IV of Schedule D) in which such person engages, whether solely or in partnership, such person may claim for the purposes of the Income Tax Acts that the amount of that loss shall, as far as may be, be deducted from or set off against the amount of profits or gains on which such person is assessed under Case IV of Schedule D for that year and that any portion of the loss for which relief is not so given shall be carried forward and, in so far as may be, deducted from or set off against the amount of profits or gains on which such person is assessed under that Case for any subsequent year of assessment.

(2) In the application of this section to a loss sustained by a partner in a partnership, “the amount of profits or gains on which such person is assessed” shall, in respect of any year, be taken to mean such portion of the amount on which the partnership is assessed under Case IV of Schedule D as the partner would be required under the Income Tax Acts to include in a return of the partner's total income for that year.

(3) Any relief under this section by means of carrying forward any portion of a loss shall be given as far as possible from the assessment for the first subsequent year of assessment and, in so far as it cannot be so given, from the assessment for the next year of assessment and so on.