

## CHAPTER 3 Income tax: basis of assessment under Cases I and II

Cases I and II: basis of assessment. ITA67 s58(1) and s60; FA90 s14(1)(a) and s15; FA97 s146(1) and Sch9 PtI par1(2) 65.—(1) Subject to this Chapter, income tax shall be charged under Case I or II of Schedule D on the full amount of the profits or gains of the year of assessment.

(2) Where in the case of any trade or profession it has been customary to make up accounts—

(a) if only one account was made up to a date within the year of assessment and that account was for a period of one year, the profits or gains of the year ending on that date shall be taken to be the profits or gains of the year of assessment;

(b) if an account, other than an account to which paragraph (a) applies, was made up to a date in the year of assessment, or if more accounts than one were made up to dates in the year of assessment, the profits or gains of the year ending on that date or on the last of those dates, as the case may be, shall be taken to be the profits or gains of the year of assessment;

(c) in any other case, the profits or gains of the year of assessment shall be determined in accordance with subsection (1).

(3) Where the profits or gains of a year of assessment have been computed on the basis of a period in accordance with paragraph (b) or (c) of subsection (2) and the profits of the corresponding period relating to the preceding year of assessment exceed the profits or gains charged to income tax for that year, then, the profits of that corresponding period shall be taken to be the profits or gains of that preceding year of assessment and the assessment shall be amended accordingly.

(4) In the case of the death of a person who, if he or she had not died, would under this section have become chargeable to income tax for any year of assessment, the tax which would have been so chargeable shall be assessed and charged on such person's executors or administrators, and shall be a debt due from and payable out of such person's estate.