

Exclusion of expenditure by reference to income tax. CGTA75 s51(1) and Sch1 par4 554.—(1) There shall be excluded from the sums allowable under section 552 as a deduction any expenditure allowable as a deduction in computing the profits or gains or losses of a trade or profession for the purposes of income tax or allowable as a deduction in computing any other income or profits or gains or losses for the purposes of the Income Tax Acts and any expenditure which, although not so allowable as a deduction in computing any losses, would be so allowable but for an insufficiency of income or profits or gains, and this subsection shall apply irrespective of whether effect is or would be given to the deduction in computing the amount of tax chargeable or by discharge or repayment of tax or in any other way.

(2) Without prejudice to subsection (1), there shall be excluded from the sums allowable under section 552 as a deduction any expenditure which, if the assets or all the assets to which the computation relates were, and had at all times been, held or used as part of the fixed capital of a trade the profits or gains of which were chargeable to income tax, would be allowable as a deduction in computing the profits or gains or losses of the trade for the purposes of the Income Tax Acts.