



Income Tax Act 2007

2007 CHAPTER 3

PART 4

LOSS RELIEF

CHAPTER 2

TRADE LOSSES

Trade loss relief against general income

64 Deduction of losses from general income

- (1) A person may make a claim for trade loss relief against general income if the person—
 - (a) carries on a trade in a tax year, and
 - (b) makes a loss in the trade in the tax year (“the loss-making year”).
- (2) The claim is for the loss to be deducted in calculating the person's net income—
 - (a) for the loss-making year,
 - (b) for the previous tax year, or
 - (c) for both tax years.

(See Step 2 of the calculation in section 23.)

- (3) If the claim is made in relation to both tax years, the claim must specify the tax year for which a deduction is to be made first.
- (4) Otherwise the claim must specify either the loss-making year or the previous tax year.
- (5) The claim must be made on or before the first anniversary of the normal self-assessment filing date for the loss-making year.

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- (6) Nothing in this section prevents a person who makes a claim specifying a particular tax year in respect of a loss from making a further claim specifying the other tax year in respect of the unused part of the loss.
- (7) This section applies to professions and vocations as it applies to trades.
- (8) This section needs to be read with—
- (a) section 65 (how relief works),
 - (b) sections 66 to 70 (restrictions on the relief),
 - ^{F1}(ba) sections [^{F2}74ZA] to 74D (general restrictions on relief),]
 - ^{F3}(bb) section 74E (restriction on the relief and early trade losses relief where cash basis applies),]
 - (c) sections 75 to 79 (restrictions on the relief and early trade losses relief in relation to capital allowances), [^{F4} and]
 - (d) section 80 (restrictions on those reliefs in relation to ring fence income),
 - ^{F5}(e)
 - ^{F6}(f)

Textual Amendments

- F1** S. 64(8)(ba) inserted (21.7.2008 with effect in accordance with Sch. 21 paras. 6, 7 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 21 para. 4](#)
- F2** Word in s. 64(8)(ba) substituted (8.4.2010 with effect in accordance with Sch. 3 para. 11 of the amending Act) by [Finance Act 2010 \(c. 13\)](#), [Sch. 3 para. 3\(a\)](#)
- F3** S. 64(8)(bb) inserted (with effect in accordance with Sch. 4 paras. 56, 57 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 4 para. 54\(2\)](#)
- F4** Word in s. 64(8)(c) inserted (8.4.2010 with effect in accordance with Sch. 3 para. 11 of the amending Act) by [Finance Act 2010 \(c. 13\)](#), [Sch. 3 para. 3\(b\)](#)
- F5** S. 64(8)(e) omitted (8.4.2010 with effect in accordance with Sch. 3 para. 11 of the amending Act) by virtue of [Finance Act 2010 \(c. 13\)](#), [Sch. 3 para. 3\(c\)](#)
- F6** S. 64(8)(f) and word omitted (21.7.2008 with effect in accordance with s. 66(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(4\)\(l\)\(i\)](#)

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Changes and effects yet to be applied to :

- s. 64(8)(bb) omitted by [2024 c. 3 Sch. 10 para. 45\(2\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 24B inserted by [2023 c. 30 Sch. 2 para. 10\(3\)](#)
- s. 788(7) inserted by [2007 c. 29 Sch. 21 para. 161\(b\)](#) (The amending provision was repealed before coming into force.)