



PRACTICE NOTE

PN 14/88

Date: 6th June 1988

Income Tax (Loss Relief) Regulations 1988

Introduction

Section 4 of the Income Tax (Amendment) Act 1986 provides for the inclusion of Section 27A in to the 1970 Income Tax Act. Under the terms of the new section the Treasury may by order, and with the approval of Tynwald, make provisions for the deduction of relief's, and the making of allowances, in respect of trading losses or capital expenditure. The Income Tax (Loss Relief) Regulations 1987 is the first of the provisions to be made and are deemed to have come into operation on the 6th April 1987.

Assessments For 1986/87 And Earlier

The provisions contained in Section 28, Income Tax Act 1970 will continue to apply to assessments for the income tax year 1986/87 and earlier:

1. for the year in which the loss arises it is mandatory that the loss is set-off against the persons other income for the same year;
2. any unrelieved loss is available to be carried forward and set-off against future profits from the same trade;
3. excess capital allowances and dividends are used to create or augment a loss.

Assessments For 1987/88 And Later

The new Regulations introduce flexibility into the way relief for trading losses, including excess capital allowances and dividends, may now be claimed:

| | |
|--------------------------|---|
| Regulation 3 - | claim for loss to be relieved against other income assessable in year of loss and/or the subsequent year; |
| Regulation 4 - | for a married couple the loss may be restricted to the income of the person incurring the loss; |
| Regulation 8 - | carry forward of unrelieved loss against subsequent profits from the same trade; |
| Regulation 9 - | terminal loss relief; |

| | |
|------------------------|--|
| Regulation 11 - | a trading loss incurred in the first four years of assessment on the trade may be carried back against the individuals other income; |
| Regulation 13 - | revenue expenditure incurred in setting-up a trade may be treated as though it were a loss sustained in the first year of assessment and relieved accordingly. |

Not all the Regulations provide additional relief; a few restrictions have also been introduced and are referred to later.

Year Loss Incurred

OLD BASIS- a loss was considered to have arisen in the year of assessment for which the relevant accounts were the basis period.

NEW BASIS - a loss is considered to arise in the year of assessment in which it is actually incurred, irrespective of the basis of assessment being applied.

Example:

A self employed individual is being assessed on a preceding year basis and incurs a trading loss in the accounts year ended 5th April 1988:

| | old | New |
|--------------|------------|------------|
| Year of loss | 1988/89 | 1987/88 |

The above example takes the situation where the accounts year end coincides with the last day of the income tax year. A strict interpretation of the legislation requires a loss to be computed on this basis i.e. year ended 5th April. This is known as the **ACTUAL FISCAL BASIS**.

In practice, accounts are frequently made up to dates other than the 5th April. With certain exceptions, the accounting period is still accepted as providing the measure of income for the year of assessment in which the accounting period ends.

Example: 12 month account ending 30th September 1987 income for 1987/88.

This practice will continue to be followed for loss relief purposes i.e. **ACCOUNTS BASIS**. However, there will be occasions when the **ACTUAL FISCAL BASIS** must be used:

| | |
|------------|---|
| (1) | Where the claimant requests |
| (2) | Upon commencement of trading |
| | (a) for the first three years of assessment |
| | (b) also the fourth and fifth years where a claim is made for relief under Section 3(3) Income Tax Act 1970 (falling income). |
| (3) | Any year immediately following a year where the loss was computed on the actual |

| | |
|------------|--|
| | fiscal basis. |
| (4) | Upon cessation of trading: |
| | (a) in the final year |
| | (b) also in the penultimate year where the Assessor's option is exercised. |

Transition

Where a loss is incurred in 1986/87 and that income tax year forms the basis period for 1987/88, Regulation 1(3) provides that the loss may only be carried forward against future profits from the same trade. However, by concession, a claim may be made for the loss to be relieved against the total income assessable in 1987/88 as though Section 28 was still in force. The carry forward loss will be reduced accordingly.

A claim for the concession to apply must be made in writing no later than 30th September 1988 and will only be allowed provided the appropriate accounts proving the loss have also been submitted. Assessments already issued which are now final and conclusive (other than default assessments) will be open to revision.

Claims

To enable relief to be given a written claim is required and must be made within the time limit specified. For the purposes of Regulation 8 (carry forward relief) it will be accepted that a claim has been made where the income tax computation makes it clear that the loss is to be carried forward. Claims made under Regulations 3,4 and 5 must stipulate the year(s) for which relief is being claimed, the income against which the loss is to be set and whether capital allowances are to be included.

The Regulations contain no provision enabling a claim to be withdrawn once it has been made. In practice, it will be in order to withdraw a claim at any time before an assessment incorporating the relief claimed, either in whole or in part, has become final and conclusive.

Set-Off Against Other Income

Where a claim is made under Regulation 3 it is the TOTAL INCOME from which a loss is to be deducted. For a company this should present few problems; for an individual, total income means income after allowing for deductions such as interest payable.

The Income Tax Acts contain no specific order of set-off for such deductions and they will therefore be given in the manner considered to be most beneficial to the taxpayer. With this in mind it is to the claimants benefit to ensure that any claim for relief is accompanied by a computation setting out the order in which deductions are to be set-off against the income.

This becomes particularly important where Regulation 4 is invoked restricting relief to the income of the spouse carrying on the trade. In such instances deductions may be set against the income of either spouse. When determining that income, any joint investment income will normally be apportioned on a 50:50 basis.

Although the ability exists for deductions to be allocated in a manner chosen by the claimant, the same flexibility does not exist with regard to the income against which a loss is to be set. Nor is it open to a claimant to require only a portion of a loss to be set-off. The reason being that losses have to be set-off against "income of the corresponding class" and on an amount of income equal to the amount of loss (see United Kingdom tax case of *Butt v Haxby* (Ch.D.) 56 TC547 for guidance.)

Where the loss is from a source of earned income the order of set-off for an individual will be

first against the claimant's earned income, then against the claimant's unearned income, next against the wife's or husband's unearned income then against the wife's or husband's earned income

In the exceptional case that the loss falls to be treated as unearned income, the above order of earned and unearned is changed. For a company, the distinction is between trading income and non-trading income:

first against the company's trading income,

then against the company's other income

Within each class of income it will still be open to the claimant to decide which item of income is relieved first. This is important where the loss is insufficient to cover the whole of the income within the corresponding class.

Unrelieved Losses And Capital Allowances

Regulation 8 provides for unrelieved trading losses to be carried forward and set-off against subsequent profits from the same trade. Unrelieved capital allowances do not fall within that Regulation and are instead carried forward under the legislation applicable to relief for capital expenditure. It is important to separately identify unrelieved trading losses (including excess dividends) from capital allowances because of the manner in which each may in the future fall to be relieved e.g. Regulation 5(2) where capital allowances brought forward are used to the extent that they are non-effective.

In normal circumstances it should not be difficult to identify for a particular year amount(s) remaining unrelieved. Difficulties should only arise where the capital allowances are used to augment a trading loss (Regulation 5) or where unrelieved amounts are being brought forward.

1.

Where capital allowances have been used to augment a trading loss, the "loss" set against general income will be relieved first out of the trading loss and second out of capital allowances.

Example

| | | |
|--------------|------|--|
| Trading loss | 2000 | |
|--------------|------|--|

| | | |
|-------------------------|------|--|
| add: capital allowances | 1000 | |
| "Loss" | 3000 | |
| Other income | 2500 | |
| Unrelieved "loss" | 500 | - considered to be unrelieved capital allowances carried forward |

2.

Where there is a trading loss and excess capital allowances being brought forward and also capital allowances due for the year of assessment, the order of set-off is considered to be:

- i capital allowances for the year of assessment
- ii excess capital allowances brought forward
- iii losses brought forward

Class 4 N I Contributions

A self-employed person may have to pay Class 4 national insurance contributions on top of the flat-rate Class 2 contributions. The income on which the contributions are paid is calculated in the following manner:

Adjusted Profit for income tax purposes,

less: Capital Allowances (including excess allowances brought forward)

plus: Balancing Charges

less: Business interest paid (not charged in the accounts)

less: Losses

For the above purposes, losses refer to trading losses from the same trade. Where a trading loss, including capital allowances, has been set against non-trading income, the amount so set-off is still eligible to be carried forward for Class 4 purposes.

Example:

1988/89

| | | |
|-------------|--------------------------|---------------------|
| y/e 30/6/87 | | |
| | Trading Income | NIL |
| | Other Income | 10,000 |
| | Trading loss y/e 30/6/88 | 2,000 (Reg 3 claim) |

| | | |
|--|--------------|--------|
| | Total Income | £8,000 |
|--|--------------|--------|

1989/90

| | | |
|-------------|----------------|---------|
| y/e 30/6/88 | Trading Income | NIL |
| | Other Income | 11,000 |
| | Total Income | £11,000 |

1990/91

| | | |
|-------------|--------------|---------|
| y/e 30/6/89 | Profit | 5,000 |
| | Other Income | 11,500 |
| | Total Income | £16,500 |

Class 4 calculation for 1990/91

| | |
|--------------------------------|--------|
| Profit | 5,000 |
| Less: loss y/e 30/6/88 | 2,000 |
| Profit for Class 4 calculation | £3,000 |

Default Assessments

Where a default assessment has become final and conclusive a claim for relief may still be made in respect of a trading loss actually incurred in the relevant basis period, provided the time limits set down in the Regulations are observed.

EXAMPLE:

Normal preceding year basis applies

1988/89 Default Assessment £6,000 - final and conclusive.

Accounts for the year ended 30th June 1987 eventually submitted showing a trading loss of £1000. The loss is available to be set-off against the default assessment of £6,000, being the first subsequent assessment on profits from the same trade.

Restrictions

Restrictions have been imposed in the following manner:

Regulation 1: apart from the transitional provision, losses falling to be relieved under the 1987 Regulations only refer to losses incurred after 6th April 1987. In addition, where a loss is available to be carried back it may not be set-off against income assessable earlier than 1987/88.

Regulation 5(g): prevents an association from using capital allowances granted on a trade of leasing to augment or create a loss available for set-off against other income: excess capital allowances, however, are still available to be carried forward.

Regulation 6: prevents trading losses and excess capital allowances from being set-off against other income where the trade is effectively being carried on as a "hobby"; once again the carry forward provisions are not affected.

Regulation 7: prohibits losses being augmented or created by capital allowances granted to an individual carrying on a leasing activity unless it can be seen to be a genuine trade.

Regulation 10: it is similar in nature to Regulation 6 but is specific to farming and market gardening. With certain provisos it specifically prevents losses incurred in the sixth consecutive year of loss and thereafter being set-off against other income, the carry forward provisions being unaffected.

Regulation 12: considered to be of limited application, being designed to cover a particular avoidance scheme involving a trade of dealing in commodity futures where the sole or main benefit is the reduction of tax liability by means of a claim for loss relief.

Companies

With a few exceptions, the provisions contained in the Regulations apply to companies as well as to individuals. There are two which are specific to companies.

1. Regulation 3(4) - provides for a dividend in excess of total income to be available for relief against general income and any unrelieved amount to be carried forward as a trading loss against future trading profits. This provision is considered to apply only to trading companies; the excess dividend of a non-trading company is not available to be carried forward.
2. Regulation 5(8) - it is a requirement that excess capital allowances arising from a leasing trade may only be carried forward. This will only present a difficulty where the company is carrying on more than one trade and/or where there is investment income. In such instances the profit or loss arising on the leasing activity will need to be separately identified along with the relevant capital allowances, to enable the correct income tax liability to be computed. This Regulation does not at present alter the group relief provisions contained in the 1980 Income Tax Act. This will be the subject of an amendment in the next Income Tax Bill.

Advice On Regulations

The Appendices to this Practice Note contain examples of the basic loss relief provisions. If any difficulties arise in applying the Regulations advice can be obtained from the Income Tax Division.

Loss Relief Examples

Example 1. (Transitional Relief)

Self employed individual incurs a loss in the year ended 30th September 1986: Loss £2000 and capital allowances £500. Other income for 1987/88 consists of spouses earnings £8000 and investment income of the previous year £150.

1987/88 Assessment

| | | |
|-------------------------|---------------------------|-------|
| (a) Without concession: | Self - Trade | NIL |
| | Wife - Earnings | 8000 |
| | Investment Income | 150 |
| | Total Income | 8150 |
| | Personal Allowances (say) | 6000 |
| | Taxable | £2150 |

Carried Forward to 1988/89 : Loss £2000

Excess Capital Allowances £500

| | | |
|---------------------------------|--------------------------|------|
| (b) With concession if claimed: | Self - Trade | Nil |
| | Wife - Earnings | 8000 |
| | Investment Income | 150 |
| | Total Income | 8150 |
| | Less: Section 28 relief | 2500 |
| | | 5650 |
| | Personal Allowance (say) | 6000 |
| | Taxable | NIL |

No loss carried forward nor excess capital allowances.

NOTE

I. The transitional concession must be claimed no later than 30th September 1988.

Example 2 (carry forward)

A sole trader commenced trading on 1st July 1987. Accounts are made up to 30th June in each year:

| | | |
|------------|-----------------------|-------|
| Year ended | 30th June 1988 - Loss | £3600 |
|------------|-----------------------|-------|

| | | |
|--|-------------------------|-------|
| | 30th June 1989 - Profit | £ 600 |
| | 30th June 1990 - Profit | £2200 |

Assessments on trading income

| | | |
|-----------|-----------------------------|-------------------------|
| 1987/88 : | 9/12 x y/e 30/6/88 = | loss (2700) NIL |
| | | |
| 1988/89 : | 3/12 x y/e 30/6/88 = | loss (900) NIL |
| | 9/12 x y/e 30/6/89 = | Profit 450 |
| | | Loss (450) |
| | | |
| 1989/90 : | income of the previous year | NIL |
| | | |
| 1990/91 : | y/e 30/6/89 = | Profit 600 - Loss 600 |
| | | = NIL |
| | | |
| 1991/92 : | y/e 30/6/90 = | Profit 2200 - Loss 2100 |
| | | = £100 |

The above example assumes that only the carry-forward provisions apply.

Losses carried forward :

| | | | |
|-------------------------------|-----|-------|-----------|
| Period 1/7/87 - 5/4/88 | | | L.2700 |
| Period 6/4/87 - 30/6/88 | | L.900 | |
| Relieved by aggregation 88/89 | 450 | | |
| 89/90 | 450 | 900 | NIL |
| carried forward to 1990/91 | | | Loss 2700 |

Example 3 (Against other income - commencement)

Assume that the same details apply as in Example 2 but there is sufficient other income available to make a claim worthwhile under Regulation 3.

Assessments on trading income

| | | |
|-----------|---|------------------------------------|
| 1987/88 : | NIL as before : | Loss of £2700 against other income |
| 1988/89 : | Nil as before : | Loss of £450 against other income |
| 1989/90 : | Income of the pervious year (S.81 ITA 70) NIL | |
| 1990/91 : | y/e 30/6/89 | Profit £600 |
| 1991/92 : | y/e 30/6/90 | Profit £2200 |

NOTES

1. Guidance on the treatment of losses relieved by aggregation can be found in the United Kingdom tax case of CIR v Scott Adamson 1932, TC17, 679.

2. The loss of £3,600 for the year ended 30th June 1988 has been fully relieved

| | |
|---------------------------------|-------------|
| 1987/88 | 2700 R.3(1) |
| 1988/89 | 450 R.3(1) |
| Aggregation 1988/89 and 1989/90 | 450 |
| | £3600 |

Example 4 (R3 - Actual fiscal basis)

A claim for the fiscal basis to be adopted instead of the accounts basis may prove beneficial in that the loss relief may be used to greater effect -

| 1988/89 Return | 1989/90 |
|-------------------------------------|-------------------------------------|
| Self : A/cs y/e 30/9/87 Profit £500 | Self : A/cs y/e 30/9/88 Loss (5000) |
| Wife : Employment £8000 | Wife : Employment |

ASSESSMENTS

(a) Claim under R3(1) - A/Cs BASIS

| | | |
|---------|--------------------------------|------|
| 1988/89 | Husband - a/cs y/e 30/9/87 | 500 |
| | Wife - earnings | 8800 |
| | Total income | 9300 |
| | Loss Relief - a/c y/e 30/9/88 | 5000 |
| | | 4300 |
| | Less Personal Allowances (say) | 7200 |

| | | |
|--|---------|-----|
| | Taxable | NIL |
|--|---------|-----|

The liability has been reduced to NIL but part of the personal allowances have not been utilised; no loss available for carry forward.

(b) Claim under R3(2) - FISCAL BASIS

| | | |
|--|--------------------------|-----------|
| 1988/89 | Total Income (as before) | 9300 |
| Loss on fiscal basis = $(6/12 \times P500 + 6/12 \times L5000)$ Loss | | 2250 |
| | Total Income | 7050 |
| | Less Personal Allowances | 7200 |
| | Taxable | £NIL |
| Loss carried forward: | a/c y/e 30/9/88 | Loss 5000 |
| | less relieved R3 | 2250 |
| Unrelieved Carried Forward | £2750 | |

EXAMPLE 5 (Reg 5(1) - Relieved Capital Allowances)

Sole trader (on going concern) incurs a loss in the year ended 31st December 1987 of £3000. Based on the following, the capital allowances for 1988/89 may be used to augment the loss for the purposes of a Regulation 3 claim:

| | |
|--------------------------|---|
| Regulation 5(1) - | (a) Year of loss 1987/88 (a/c to 31/12/87) |
| | (b) Year of loss is basis year for 1988/89 |
| | (c) Capital allowances for 1988/89 may be used under R.5(1) |

EXAMPLE 6 (Reg 5(2) - Balancing Charge)

Sole trader (on going concern) has a profit of £1,000 for the year ended 31 /12/88. Capital allowances for 1989/90 are £5,000 and there is a balancing charge of £3,200. Unrelieved capital allowances brought forward from 1988/89 are £2400.

The loss calculation for 1988/89 invoking Regulation 5 will be as follows:

1. Calculate capital allowances required to cover balancing charge:

| | | | |
|--|--------------------------------|------|------|
| | Balancing Charge (BC) | | 3200 |
| | Unrelieved cap-allces b/f | 2400 | |
| | Less: required to cover profit | 1000 | 1400 |

| | | | |
|---------|-------------------------------|--|------|
| | Balance | | 1800 |
| 1989/90 | capital allowances against BC | | 1800 |
| | | | NIL |

2. Surplus cap. Allces for 1989/90:

| | |
|--|------|
| Total claimed | 5000 |
| less: allocated to balancing charge | 1800 |
| Surplus | 3200 |

3. Loss under Regulations 3 and 5:

| | | |
|--------------|-------------------------------------|-------|
| y/e 31/12/88 | Profit | 1000 |
| less: | available cap.allces (i.e. surplus) | 3200 |
| | loss against other income | £2200 |

This example demonstrates the operation of Regulation 5 (2)

Summary

| | | | |
|--|-------------------------|------|------|
| 1. 1989/90 Assessment | Profit y/e 31/12/88 | | 1000 |
| | Plus: balancing charge | | 3200 |
| | | | 4200 |
| | less: capital allowance | | 4200 |
| | | | Nil |
| 2. Loss relief available Regulation 3 against other income | | | |
| 1988/89 and/or 1989/90 - £2200 | | | |
| 3. Capital Allowances situation | | | |
| | Excess b/fwd | | 2400 |
| | For 1989/90 | | 5000 |
| | | | 7400 |
| | Used against profit | 1000 | |
| | Balancing Charge | 3200 | |
| | Regulation 3 | 2200 | 6400 |

| | | | |
|--|-----------------------------|--|-------|
| | Unrelieved allowances c/fwd | | £1000 |
|--|-----------------------------|--|-------|

Example 7 (Terminal Losses)

An established trader makes up his accounts annually to 31st December, he ceases trading on 30th September 1990. His only source of income has been from the trade:

| | | | | |
|--------------|--------------|----------------------|---------|------|
| y/e 31/12/87 | Profit 8000 | C.A.'s 3000 | WDV c/f | 8000 |
| y/e 31/12/88 | Profit 10000 | C.A.'s 2000 | WDV c/f | 6000 |
| y/e 31/12/89 | Profit 18000 | C.A.'s 1500 | WDV c/f | 4500 |
| p/e 30/ 9/90 | Loss 9000 | Plant sold for £2500 | | |

(a) Existing Assessments:

| | | | | |
|---------|--------|-------|--------|------|
| 1988/89 | Profit | 8000 | C.A.'s | 3000 |
| 1989/90 | Profit | 10000 | C.A.'s | 2000 |
| 1990/91 | Profit | 18000 | C.A.,s | 1500 |

(b) Revised Assessments (before terminal loss relief);

| | |
|---------|---------------------------------|
| 1988/89 | as before |
| 1989/90 | adjusted to actual Profit 10500 |
| 1990/91 | actual basis - no profit |

(c) Capital Allowances Basis Periods:

| | |
|---------|------------------------|
| 1990/91 | 6.4.90 - 30.9.90 |
| 1989/90 | 1.1.88 - 5.4.90 |
| 1988/89 | as before y/e 31.12.87 |

(d) Re-computed Capital Allowances:

| | | |
|---------|---------------|------|
| 1989/90 | WDV b/f | 8000 |
| | WDA 25% | 2000 |
| | c/f | 6000 |
| 1990/91 | Sale proceeds | 2500 |

| | | |
|--|---------------------|-------|
| | Balancing Allowance | £3500 |
|--|---------------------|-------|

(e) Calculation of Terminal Loss Relief

| | | |
|-----|---|--------------|
| I | Loss in year of discontinuance $6/9 \times (9000)$ | 6000 |
| ii | Relevant capital allowances for 1990/91 | 3500 |
| iii | Loss in the previous year, starting 12 months before cessation: | |
| | $3/9 \times (9000) = \text{Loss } 3000$ | |
| | $3/12 \times 18000 = \text{Profit } 45000$ No loss | NIL |
| iv | Relevant Capital Allowances for 1989/90 | |
| | $6/12 \times 2000 = 1000$ (relieved in 89/90 asst) | NIL |
| | TERMINAL LOSS AVAILABLE | £9500 |

(f) Revised Assessments (after terminal loss relief):

| | | |
|---------------------------------|--------------------------|-------|
| i first available year 1989/90: | Profit | 10500 |
| | less: Capital Allowances | 2000 |
| | | 8500 |
| | less: loss under Reg.9 | 8500 |
| | | NIL |
| ii next available year 1988/89 | Profit | 8000 |
| | Capital Allowances | 3000 |
| | | 5000 |
| | less: loss under Reg. 9 | 1000 |
| | Revised Assessment | £4000 |

NOTES

1. In determining whether there is a loss in the preceding year the full 12 month period must be taken into account.
2. Capital allowances included in the income tax computation need to be adjusted for if relief has already been given ie may not be used twice.
3. Relief is given in a later year before an earlier year.

4. Loss may only be set against profits from the same trade ie not total income.

Example 8 (Pre-Trading /Commencement Losses)

An individual ceases employment on 30th June 1990 and commences self employment on 1st July 1990. In the six months prior to commencement of trading £5000 is spent on office rents.

Returns and accounts show the following:

| | | | |
|--------------|-----|----------------|-------|
| Employment - | y/e | 5.4.88 | |
| | y/e | 5.4.89 | 15000 |
| | y/e | 5.4.90 | 16000 |
| | to | 30.6.90 | 4500 |
| Accounts - | y/e | 30.6.91 Loss | 4000 |
| | y/e | 30.6.92 Loss | 3000 |
| | y/e | 30.6.93 Profit | 8000 |

(a) Maximum losses available under Regulation 11.

| | | |
|------------------------------|---|---------|
| i 90/91 (part year): | (a) Trading loss $9/12 \times (4000) =$ | 3000 |
| | Capital allowances | 5000 |
| | Loss | 8000 |
| (b) Pre-trading expense R.13 | 1000 | |
| ii 91/92 (first full year) | Trading loss $3/12 \times (4000)$ | 1000 |
| | $9/12 \times (3000)$ | 2250 |
| | Loss | 3250 |
| iii 92/93 (second full year) | Trading loss $3/12 \times (3000)$ | no loss |
| | $9/12 \times 8000$ | |

Notes

1. A separate claim is required for each of the two losses in 1990/91 and must be made by 5.4.93 (R.11(1) and R.13 (2)).
2. Losses are available for relief against total income for the three years preceding the year of loss. (R.11(2)).

3. Relieved against an earlier year before a later year. (R.11(2)).
4. Loss relieved under Regulation 11 cannot also be relieved under another provision (R.11(3)).

(b) Assessments giving relief under Regulation 11.

| | | |
|----------|--------------------------------|--------------------|
| 1987/88: | Employment | 11000 |
| | less: loss 90/91 | 9000 (8000 + 1000) |
| | Total Income | 2000 |
| 1988/89: | Employment | 15000 |
| | less: loss 91/92 | 3250 |
| | Total Income | 11750 |
| 1989/90 | Employment - Total Income | 16000 |
| 1990/91 | Employment | 4500 |
| | Self-employment (actual basis) | NIL |
| | Total Income | 4500 |
| 1991/92 | Self-employment (actual basis) | NIL |
| 1992/93 | Self-employment (y/e 5/4/92) | NIL |
| 1993/94 | Self-employment (y/e 30/6/92) | NIL |
| 1994/95 | Self-employment (y/e 30/6/93) | 8000 |
| | less loss b/fwd | 750 |
| | Total Income | 7250 |

NOTES

1. The loss for 1991/92 may only be set against the assessments for the three preceding years ie starting 1988/89.
2. The loss carried forward to 1994/95 under Regulation 8 relates to the period 6.4.92 to 30.6.92 not yet relieved.