Status: *This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

SCHEDULES.

SCHEDULE 8

CAPITAL GAINS: LEASES.

Sub-leases out of short leases.

4 (1) In the computation under Schedule 6 to this Act of the gain accruing on the part disposal of a lease which is a wasting asset by way of the grant of a sub-lease for a premium the expenditure attributable to the lease under paragraph 4(1)(a) and 4(1)(b) of Schedule 6 to this Act shall be apportioned in accordance with this paragraph, and paragraph 7 of Schedule 6 to this Act shall not apply.

(2) Out of each item of the expenditure attributable to the lease under the said paragraph 4(1)(a) and 4(1)(b) there shall be apportioned to what is disposed of—

(a) if the amount of the premium is not less than what would be obtainable by way of premium for the said sub-lease if the rent payable under that sub-lease were the same as the rent payable under the lease, the fraction which, under paragraph 1(3) of this Schedule, is to be written off over the period which is the duration of the sub-lease, and

(b) if the amount of the premium is less than the said amount so obtainable, the said fraction multiplied by a fraction equal to the amount of the said premium divided by the said amount so obtainable.

(3) If the sub-lease is a sub-lease of part only of the land comprised in the lease this paragraph shall apply only in relation to a proportion of the expenditure attributable to the lease under the said paragraph 4(1)(a) and 4(1)(b) which is the same as the proportion which the value of the land comprised in the sub-lease bears to the value of that and the other land comprised in the lease; and the remainder of that expenditure shall be apportioned to what remains undisposed of.