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SCHEDULES

SCHEDULE 8

Section 29.

TRANSITIONAL ALLOWANCES FOR ANNUAL VALUE OF TRADE PREMISES

- 1 Subject to the provisions of this Schedule, an allowance under this Schedule shall be made to the person carrying on a trade where land which was occupied by him at any time before the end of the year 1962-63 for the purposes of the trade permanently ceases to be occupied by him for those purposes.
- 2 The amount of the allowance shall be the excess of—
 - (a) the aggregate of any deductions in respect of the annual value of the land which, by virtue of section 136 of the Act of 1952, would have been made in computing the profits or gains of the trade for the years 1963-64 and 1964-65 but for section 29 (1) of this Act and the repeal by this Act of the said section 136, over
 - (b) the aggregate of any deductions relating to the land made in computing the profits or gains of the trade for those years, being—
 - (i) deductions permitted by section 29 (2) of this Act, so far as made in respect of the period in respect of which the deductions mentioned in paragraph (a) above would have been made, or
 - (ii) deductions in respect of rent from which an amount representing tax was deducted under section 173 of the Act of 1952, so far as made in respect of that period.
- 3 The allowance shall be made by—
 - (a) treating the amount of it as rent paid for the land by the said person (in addition to any actual rent) becoming due from day to day during the period defined in paragraph 4 of this Schedule, and
 - (b) allowing deductions accordingly in computing the profits or gains of the trade chargeable under Case I of Schedule D for any year of assessment the profits or gains for which fall to be computed by reference to a period including that period or any part thereof.
- 4 The said period is that ending when the land permanently ceases to be occupied by the said person for the purposes of the trade, and of a duration equal to the aggregate of—
 - (a) the number of months and fractions of months during which the land was occupied by him for the purposes of the trade in so much of the period by reference to which the profits or gains of the trade for the year 1963-64 fall to be computed as fell before the beginning of that year, and
 - (b) the number of months and fractions of months during which the land was so occupied in so much of the period by reference to which the profits or gains of the trade for the year 1964-65 fall to be computed as fell before the beginning of the year 1963-64.
- 5 No allowance shall be made under this Schedule where the date on which the land permanently ceases to be occupied by the said person for the purposes of the trade—

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- (a) falls within a year of assessment and also within a period by reference to which the profits or gains of the trade for that year of assessment fall to be computed, or
 - (b) falls within a year of assessment in which he permanently ceases to carry on the trade.

- 6 Where there is a change in the persons carrying on the trade, but by virtue of section 19(3) of the Finance Act 1953 or section 17(1) of the Finance Act 1954 the trade does not by reason of the change fall to be treated for any of the purposes of the Income Tax Acts as permanently discontinued, this Schedule (including this paragraph) shall apply as if any occupation of the land before the change occurred by the persons carrying on the trade immediately before it occurred were occupation by the persons carrying on the trade immediately after it occurred.

- 7 Where, by reason of a change in the persons carrying on the trade, the trade falls to be treated for any of the purposes of the Income Tax Acts as permanently discontinued, a person engaged in carrying on the trade immediately before the change occurred who continues to be so engaged immediately after it occurred shall be treated for the purposes of this Schedule as not having been in occupation of the land at any time before it occurred.

- 8 The foregoing provisions of this Schedule shall apply in relation to a profession or vocation as they apply in relation to a trade, but as if the reference in paragraph 3 to Case I of Schedule D were a reference to Case II of that Schedule.