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SCHEDULES

SCHEDULE 9

Sections 29, 37, 69.

ALLOWANCE OF TRADING DEDUCTION WHERE PREMIUM ETC. PAID

- 1 In this Schedule:—
- " the amount chargeable " means the amount referred to in section 29(3) of this Act, and
 - " the relevant period "—
 - (a) where the amount chargeable arose under section 22 of this Act, means the period treated in computing that amount as being the duration of the lease ;
 - (b) where that amount arose under section 23 of this Act, means the period treated in computing the amount as being the duration of the lease remaining at the date of the assignment;
 - (c) where that amount arose under section 24 of this Act, means the period beginning with the sale and ending on the date fixed under the terms of the sale as the date of the reconveyance or grant, or, if that date is not fixed, ending with the earliest date at which the reconveyance or grant could take place in accordance with the terms of the sale.
- 2 Subject to the provisions of this Schedule, where during any part of the relevant period the land in relation to which the amount chargeable arose is occupied by the person for the time being entitled to the lease, estate or interest as respects which it arose for the purposes of a trade, profession or vocation carried on by him, he shall be treated, in computing the profits or gains of the trade, profession or vocation chargeable to tax under Case I or II of Schedule D, as paying in respect of that land rent for the period (in addition to any actual rent) becoming due from day to day of an amount which bears to the amount chargeable the same proportion as that part of the relevant period bears to the whole.
- 3 As respects any period during which a part only of the land in relation to which the amount chargeable arose is occupied as mentioned in the foregoing paragraph, that paragraph shall apply as if the whole were so occupied, but the amount chargeable shall be treated as reduced by so much thereof as, on a just apportionment, is attributable to the remainder of the land.
- 4 Where a person, although not in occupation of the said land or a part thereof, deals with his interest in the land or that part as property employed for the purposes of a trade, profession or vocation carried on by him, paragraphs 2 and 3 of this Schedule shall apply as if the land or part were occupied by him for those purposes:
- Provided that—
- (a) where paragraph 8 of Schedule 4 to this Act has effect in relation to a lease granted out of that interest, paragraph 9(2) of that Schedule shall apply for modifying the operation of the said paragraphs 2 and 3 as it applies for modifying the operation of paragraph 9(1) of that Schedule ;

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- (b) in computing profits or gains for any year of assessment, rent shall not by virtue of this paragraph be treated as paid by a person for any period in respect of land in so far as rent treated under paragraph 9 of Schedule 4 to this Act as paid by him for that period in respect of the land has in any previous year of assessment been deducted, or falls in that year to be deducted, under that Schedule.
- 5 Where, in respect of expenditure on the acquisition of his interest in the land in relation to which the amount chargeable arose, a person has become entitled to an allowance under section 37 of this Act (mineral depletion) for any year of assessment, then—
- (a) if the allowance is in respect of the whole of the expenditure, no deduction shall be allowed him under this Schedule for that or any subsequent year, or
- (b) if the allowance is in respect of part only of the expenditure, a deduction allowed him under this Schedule for that or any subsequent year shall be of an amount bearing to the amount which apart from this paragraph would fall to be deducted the same proportion as the remainder of the expenditure bears to the whole.
- 6 Where the amount chargeable arose under section 22(2) of this Act by reason of an obligation which included the carrying out of work in respect of which any allowance has fallen or will fall to be made under Part X or Part XI of the Act of 1952, this Schedule shall apply as if the obligation had not included the carrying out of that work and the amount chargeable had been calculated accordingly.
- 7 Where the amount chargeable arose under section 24 of this Act and the reconveyance or grant in question takes place at a price different from that taken in calculating that amount or on a date different from that taken in determining the relevant period, the foregoing provisions of this Schedule shall be deemed to have had effect (for all relevant years of assessment) as they would have had effect if the actual price or date had been so taken, and such adjustment of liability to tax shall be made, by means of an additional assessment or otherwise, as may be necessary and may be so made at any time at which it could be made if it related only to tax for the year of assessment in which the reconveyance or grant takes place.