



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART III

SCHEDULE A, AND ASSOCIATED CHARGES UNDER SCHEDULE D

The Schedule A charge

67 Schedule A

(1) The Schedule referred to as Schedule A is as follows:—

“SCHEDULE A

- 1 Tax under this Schedule shall be charged on the annual profits or gains arising in respect of any such rents or receipts as follow, that is to say—
 - (a) rents under leases of land in the United Kingdom,
 - (b) rentcharges, ground annuals and feu duties, and any other annual payments reserved in respect of, or charged on or issuing out of, such land, and
 - (c) other receipts arising to a person from, or by virtue of, his ownership of an estate or interest in or right over such land or any incorporeal hereditament or incorporeal heritable subject in the United Kingdom.
- 2 Tax under this Schedule shall be charged by reference to the rents or receipts to which a person becomes entitled in the chargeable period.

Exceptions

- 3 Paragraph 1 above does not apply—
 - (a) to any yearly interest, or
 - (b) to any profits or gains charged to tax under Schedule D by virtue of section 112 of this Act (mines, quarries and other concerns), or

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- (c) to any payment so charged by virtue of section 156 or 157 of this Act (mining etc. rents and royalties);

and the said paragraph has effect subject also to the provisions of section 140 of this Act with respect to tied premises.

4 Where rent is payable under a lease under which the tenant is entitled to the use of furniture, and tax in respect of the payment for its use is chargeable under Case VI of Schedule D, tax in respect of the rent shall be charged under the said Case VI instead of under this Schedule unless the landlord elects that this paragraph shall not apply.”

- (2) An election that paragraph 4 of Schedule A shall not apply shall be made by notice in writing to the inspector given within two years after the end of the chargeable period; and where such notice is given, any adjustment of the liability to tax of the person giving it which is required in consequence thereof may be made by an assessment, or by repayment or otherwise, as the case may require.
- (3) Profits or gains arising in any chargeable period from payments for any easement over or right to use any land made to the person who occupies the land shall not be excluded from the charge to tax under Schedule A by reason only that he is chargeable with respect to the land under Schedule B, but shall be treated for the purposes of Schedule A as limited to the amount (if any) by which they exceed the assessable value for the purposes of Schedule B of his occupation of the land in that period.

68 Persons chargeable

- (1) Income tax under Schedule A shall be charged on and paid by the persons receiving or entitled to the profits or gains in respect of which tax under that Schedule is directed by the Income Tax Acts to be charged.
- (2) For the purposes of corporation tax, the provisions of Chapter I of Part XI of this Act have effect to the exclusion of subsection (1) above.

69 Assessment

- (1) The profits or gains arising to a person for any chargeable period which are assessable to tax under Schedule A may, if they arise from more than one source, be assessed in one or more assessments, and, in the latter case, each assessment may relate to profits or gains from one or more sources.
- (2) Where an assessment to income tax under Schedule A for any year of assessment is made in that year—
 - (a) it shall be made on the basis that all sources of income and all amounts relevant in computing profits or gains are the same as for the last preceding year of assessment, and
 - (b) tax shall be leviable accordingly, but any necessary adjustments shall be made after the end of the year, whether by way of assessment, repayment of tax or otherwise, to secure that tax is charged by reference to the rents or receipts to which the person assessed becomes entitled in the year of assessment:

Provided that if before the 1st January in any year a person delivers a statement in writing to the inspector—

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- (i) showing that since the beginning of the last preceding year of assessment he has ceased to possess one or more sources of income chargeable under Schedule A, and
 - (ii) giving the aggregate of the rents and receipts relevant for the purposes of Schedule A to which he has become or is likely to become entitled in the current year, and
 - (iii) showing that that aggregate is less than the aggregate of such rents and receipts to which he became entitled in the last preceding year, and that it would not have been less if he had not ceased to possess the said source or sources,
- then, if the inspector is satisfied as to the correctness of the declaration, an assessment made on that person in the current year shall be made on an amount which bears to the amount arrived at under paragraph (a) above the same proportion as the said aggregate for the current year bears to the said aggregate for the last preceding year, and paragraph (b) above shall apply accordingly.

70 Collection from lessees and agents

- (1) Where any tax under Schedule A is charged in respect of profits or gains arising from any land to a person who is not the occupier of the land, but the tax is not paid by that person (in this subsection referred to as "the person in default"), it may be recovered in accordance with the following provisions:—
 - (a) subject to paragraph (b) below, the collector may from time to time by notice in writing, in such form as may be prescribed by the Board, require any lessee of the land or any part thereof whose interest is derived (directly or indirectly) from that held by the person in default (in this subsection referred to as "a derivative lessee") to make to him payment, on the date or dates specified in the notice, of such sum or sums as may be required to satisfy the tax;
 - (b) the sum demanded from a derivative lessee to be paid during any period shall not exceed the amount of the rent or other payments arising out of the land which becomes due from him at the end of the period and payable to the person in default or to another derivative lessee;
 - (c) in default of payment by a derivative lessee of any amount duly demanded of him under this subsection, that amount may be recovered from him in like manner as if he had been charged with tax of that amount;
 - (d) where any sum on account of tax has been collected from a derivative lessee in pursuance of this subsection, he may deduct that sum from any subsequent payment arising as aforesaid and payable to the person in default or to another derivative lessee, and shall be acquitted and discharged of the amount so deducted;
 - (e) where under paragraph (d) above, or under that paragraph as applied by this paragraph, a sum is deducted from an amount payable to another derivative lessee, that paragraph shall apply as if the sum had been collected from him under a demand made under this subsection by the collector, and, where the amounts from which under that paragraph he is entitled to make deductions in respect of that sum during the following twelve months are less than that sum, he shall be entitled to recover from the Board an amount equal to the difference, which shall be treated as reducing the tax recovered under this subsection.
- (2) Where any person (hereinafter referred to as "the agent") is in receipt of rents or receipts from land on behalf of another person (hereinafter referred to as "the

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principal"), and any tax under Schedule A charged on the principal has not been paid, the collector may by notice in writing, in such form as may be prescribed by the Board, require the agent to pay to the collector in or towards the satisfaction of the tax any sums from time to time received by the agent on behalf of the principal on account of rents or receipts from any land (including any sums so received which are in his hands when the notice is given) until the liability in respect of the tax has been satisfied; and the agent shall pay all such sums over to the collector accordingly, and the payment shall acquit and discharge him as against the person on whose behalf he received them.

If the agent fails to comply with the requirements of a notice duly served on him, he shall be liable to a penalty not exceeding £50 for each failure, non-compliance as respects sums in his hands when the notice is given, or as respects any one payment subsequently received by him, being treated as a separate failure.