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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, Paragraph 4. (See end of Document for details)*

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# SCHEDULES

## SCHEDULE 5

### RENT AND OTHER RECEIPTS FROM LAND

#### PART I

##### MAIN CHARGING PROVISIONS

###### Commencement Information

**II** Sch. 5 Pts. I-III in force and has effect as mentioned in s. 38.

4 For section 21 of the Taxes Act 1988 (persons chargeable and computation of amounts chargeable) substitute—

**“21 Persons chargeable and basis of assessment.**

- (1) Income tax under Schedule A shall be charged on and paid by the persons receiving or entitled to the income in respect of which the tax is directed by the Income Tax Acts to be charged.
- (2) Income tax under Schedule A is charged on the full amount of the profits arising in the year of assessment.
- (3) This section does not apply for the purposes of corporation tax.

**21A Computation of amount chargeable.**

- (1) Except as otherwise expressly provided, the profits of a Schedule A business are computed in the same way as the profits of a trade are computed for the purposes of Case I of Schedule D.
- (2) The following provisions apply in accordance with subsection (1)—
  - section 72 (apportionment);
  - the provisions of Chapter V of Part IV (computational provisions relating to the Schedule D charge), except as mentioned in subsection (4) below;
  - section 577 (business entertainment expenses);
  - section 577A (expenditure involving crime);
  - sections 579 and 580 (redundancy payments);
  - sections 588 and 589 (training courses for employees);
  - sections 589A and 589B (counselling services for employees);
  - section 73(2) of the <sup>M1</sup>Finance Act 1988 (consideration for restrictive undertakings);

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- section 43 of the <sup>M2</sup>Finance Act 1989 (deductions in respect of certain emoluments);
- section 76 of that Act (expenses in connection with non-approved retirement benefit schemes);
- sections 112 and 113 of that Act (expenditure in connection with provision of security asset or service);
- sections 42 and 46(1) and (2) of the Finance Act 1998 (provisions as to computation of profits and losses).
- (3) Section 74(1)(d) of this Act (disallowance of provisions for future repairs) applies in relation to a Schedule A business as if the reference to premises occupied for the purposes of the trade were to premises held for the purposes of the Schedule A business.
- (4) The following provisions in Chapter V of Part IV of this Act do not apply, or are excepted from applying, in accordance with subsection (1)—
- section 82 (interest paid to non-residents),
  - section 87 (treatment of premiums taxed as rent),
  - section 96 (farming and market gardening: relief for fluctuating profits), and
  - section 98 (tied premises: receipts and expenses treated as those of trade).

### **21B Application of other rules applicable to Case I of Schedule D.**

The following provisions apply for the purposes of Schedule A in relation to a Schedule A business as they apply for the purposes of Case I of Schedule D in relation to a trade—

- sections 103 to 106, 108, 109A and 110 (post-cessation receipts and expenses, etc.);
- section 113 (effect for income tax purposes of change in the persons engaged in carrying on trade);
- section 337(1) (effect of company beginning or ceasing to carry on trade);
- section 401(1) (pre-trading expenditure);
- section 44 of and Schedule 6 to the Finance Act 1998 (change of accounting basis).”.

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#### **Marginal Citations**

- M1** 1988 c. 39.  
**M2** 1989 c. 26.

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