Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 3

PROPERTY INCOME

CHAPTER 4

PROFITS OF PROPERTY BUSINESSES: LEASE PREMIUMS ETC.

Other interpretative provisions

306 Provisions about premiums

(1) For the purposes of this Chapter, the presumption is that a sum paid on or in connection with the granting of a tenancy has been paid by way of premium.

(2) This does not apply if the sum is rent.

(3) This also does not apply so far as other sufficient consideration for the payment can be shown to have been given.

(4) In this section "sum" includes the value of any consideration.

(5) Where rule 3 in section 303 (rules for determining effective duration of lease) applies, the premium, or an appropriate part of it, payable for or in connection with either lease mentioned in that rule may be treated for the purposes of this Chapter as having been required under the other.

Changes to legislation: *There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Cross Heading: Other interpretative provisions. (See end of Document for details)*

307 Interpretation

(1) In this Chapter "premium" includes any similar sum payable to the immediate or a superior landlord or to a person connected with such a person.

(2) In subsection (1) "sum" includes the value of any consideration.

(3) In the application of this Chapter to Scotland—

"premium" includes, in particular, a grassum payable to the landlord under the lease in respect of which the grassum is payable or the landlord under any other lease of the property, and

"reversion" means the interest of the landlord in the property subject to the lease.

(4) In the application of this Chapter to Scotland—

(a) references to a lease being granted out of a taxed lease are to the grant of a sublease of land subject to the taxed lease, and

(b) references to the lease so granted are to be read as references to the sublease.

Changes to legislation:
There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Cross Heading: Other interpretative provisions.