



Finance Act 2006

2006 CHAPTER 25

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 9

MISCELLANEOUS PROVISIONS

Sale of lessors

85 Restrictions on effect of elections under section 266 of CAA 2001

- (1) CAA 2001 is amended as follows.
- (2) In section 266 (election where predecessor and successor are connected persons), in subsection (7) (sections 104, 108 and 265 not to apply if election is made), at the end insert “ (but see section 267A) ”.
- (3) In section 267 (effect of election), at the end insert—
 - “(6) This section is subject to section 267A.”.
- (4) After that section insert—

“267A Restriction on effect of election

- (1) This section applies for corporation tax purposes if—
 - (a) on any day (“the relevant day”) a person (“the predecessor”) carries on a business of leasing plant or machinery,
 - (b) on the relevant day another person (“the successor”) succeeds to the business, and
 - (c) the predecessor and the successor make an election under section 266.

Changes to legislation: *There are currently no known outstanding effects for the Finance Act 2006, Section 85. (See end of Document for details)*

- (2) Neither—
- (a) section 266(7), nor
 - (b) the provisions of section 267,
- have effect in relation to any plant or machinery which, in determining whether the business is a business of leasing plant or machinery on the relevant day, is qualifying leased plant or machinery.
- (3) In this section “business of leasing plant or machinery”—
- (a) has the same meaning as in Part 2 of Schedule 10 to FA 2006 (sale etc of lessor companies etc) (if the business is carried on otherwise than in partnership), or
 - (b) has the same meaning as in Part 3 of that Schedule (if the business is carried on in partnership).”.
- (5) The amendments made by this section have effect in relation to any succession occurring on or after 5th December 2005.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2006, Section 85.