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Corporation Tax Act 2009

2009 CHAPTER 4

PART 4

PROPERTY INCOME

CHAPTER 4

PROFITS OF PROPERTY BUSINESSES: LEASE PREMIUMS ETC

Other interpretative provisions

246 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 243 (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.

247 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.

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(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:
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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by S.I. 2011/1043 art. 34

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by 2016 c. 24 s. 73(5)
- s. 934(1A)(1B) inserted by 2023 c. 30 Sch. 2 para. 12(2)
- s. 962(3A) inserted by 2023 c. 30 Sch. 2 para. 12(5)(b)
- s. 962A(3A) inserted by 2023 c. 30 Sch. 2 para. 12(6)(b)
- s. 963(1A) inserted by 2023 c. 30 Sch. 2 para. 12(7)(a)
- s. 1058B(5)(ea) inserted by 2023 c. 20 Sch. para. 57
- s. 1094(2A)-(2C) inserted by 2012 c. 14 Sch. 3 para. 13(3)
- s. 1106(4A)-(4C) inserted by 2012 c. 14 Sch. 3 para. 14(3)
- s. 1138A applied by S.I. 2024/348 reg. 3