



Corporation Tax Act 2010

2010 CHAPTER 4

PART 9

LEASING PLANT OR MACHINERY

CHAPTER 2

LONG FUNDING LEASES OF PLANT OR MACHINERY

Lessees under long funding operating leases

379 Lessee under long funding operating lease

- (1) This section applies if a company is the lessee of any plant or machinery under a long funding operating lease for the whole or part of any period of account.
- (2) The deductions allowed in calculating the profits of the company for the period of account for corporation tax purposes are reduced.
- (3) The amount of the reduction is so much of the expected gross reduction in value over the term of the lease as is attributable to the period of account.
- (4) The expected gross reduction in value over the term of the lease is the starting value of the plant or machinery, less its expected end value.
- (5) For the meaning of “starting value”, see section 380.
- (6) The expected end value of plant or machinery is the amount which—
 - (a) at the commencement of the term of the lease is expected to be its market value at the end of the term, or
 - (b) if section 380(3) applies, would have been expected to be that value had that value been estimated at the commencement of the term.

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 379. (See end of Document for details)

- (7) The expected gross reduction in value over the term of the lease that is attributable to the period of account is found by apportioning that reduction on a time basis according to the proportion of the term of the lease that falls in the period of account.

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 379.