



Finance Act 2012

2012 CHAPTER 14

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 5

MISCELLANEOUS

Other provisions

53 Site restoration payments

- (1) In section 168 of ITTOIA 2005 (site restoration payments), at the beginning of subsection (2) insert “ Subject to subsection (3A), ”.
- (2) For subsection (3) of that section substitute—
 - “(3) The deduction is allowed—
 - (a) (if the payment is made, whether directly or indirectly, to a connected person) for the period of account in which that part of the restoration work to which the payment relates is completed, or
 - (b) (in any other case) for the period of account in which the payment is made.
 - (3A) But no deduction is allowed if the payment arises from arrangements—
 - (a) to which the person carrying on the trade is a party, and
 - (b) the main purpose, or one of the main purposes, of which is to obtain a deduction under this section.”
- (3) At the end of that section insert—
 - “(7) Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2012, Section 53. (See end of Document for details)*

- (4) In section 145 of CTA 2009 (site restoration payments), at the beginning of subsection (2) insert “ Subject to subsection (3A), ”.
- (5) For subsection (3) of that section substitute—
- “(3) The deduction is allowed—
- (a) (if the payment is made, whether directly or indirectly, to a connected person) for the period of account in which that part of the restoration work to which the payment relates is completed, or
- (b) (in any other case) for the period of account in which the payment is made.
- (3A) But no deduction is allowed if the payment arises from arrangements—
- (a) to which the company carrying on the trade is a party, and
- (b) the main purpose, or one of the main purposes, of which is to obtain a deduction under this section.”
- (6) At the end of that section insert—
- “(7) Arrangements” includes any agreement, understanding, scheme, transaction or series of transactions (whether or not legally enforceable).”
- (7) The amendments made by this section have effect in relation to any site restoration payment made on or after 21 March 2012, other than a payment made pursuant to an unconditional obligation in a contract made before 21 March 2012.
- (8) An unconditional obligation is an obligation which may not be varied or extinguished by the exercise of a right (whether or not under the contract).

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2012, Section 53.