

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 4: Property income

Overview

Chapter 4: Profits of property businesses: lease premiums etc

Overview

Section 235: Limit on reductions and deductions

866. This section places a limit on the relief that can be given under this Chapter in relation to a taxed receipt. It is based on section 37(9) of ICTA. The corresponding provision for income tax is in section 295 of ITTOIA.
867. The section restricts total relief in respect of a taxed receipt by way of:
- reductions under the additional calculation rule in section 228; and
 - deductions under section 232.
868. The total relief is restricted to the amount of the taxed receipt after the following (so far as given by reference to the taxed receipt):
- any reductions or deductions under sections 288 or 292 of ITTOIA (which correspond to sections 228 and 232 respectively); and
 - any deductions under section 63 (trading expense), or under section 61 of ITTOIA (which corresponds to section 63).

See *Change 49* in Annex 1.