



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 3

#### PROPERTY INCOME

#### CHAPTER 4

##### PROFITS OF PROPERTY BUSINESSES: LEASE PREMIUMS ETC.

##### *Additional calculation rule for reducing certain receipts*

#### **287 Circumstances in which additional calculation rule applies**

- (1) The rule in section 288 (the additional calculation rule) applies in relation to the calculation of receipts under—
  - section 277 (lease premiums),
  - section 279 (sums payable instead of rent),
  - section 280 (sums payable for surrender of lease),
  - section 281 (sums payable for variation or waiver of term of lease), or
  - section 282 (assignments for profit of lease granted at undervalue).
- (2) It applies if conditions A and B are met.
- (3) Condition A is that—
  - (a) in the case of a receipt under section 277, 279 or 280, the lease is granted out of a taxed lease,
  - (b) in the case of a receipt under section 281, the lease was granted out of a taxed lease, and
  - (c) in the case of a receipt under section 282, the assignment is of a taxed lease.

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*Status: Point in time view as at 06/04/2005. This version of this provision has been superseded.*

*Changes to legislation: There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Section 287. (See end of Document for details)*

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- (4) A lease is a “taxed lease” for the purposes of this Chapter if—
- (a) there is a receipt under any of sections 277 to 282 in respect of the lease, or
  - (b) there would be such a receipt, but for the operation of the additional calculation rule in the calculation of its amount.

In this Chapter such a receipt is referred to as a “taxed receipt”.

- (5) Condition B is that the taxed receipt, or if there is more than one, at least one of them, has an unused amount.
- (6) See section 290 for an explanation of when a taxed receipt has an “unused amount”.

**Status:**

Point in time view as at 06/04/2005. This version of this provision has been superseded.

**Changes to legislation:**

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