



Corporation Tax Act 2009

2009 CHAPTER 4

PART 10

MISCELLANEOUS INCOME

CHAPTER 3

BENEFICIARIES' INCOME FROM ESTATES IN ADMINISTRATION

Types of estate income

937 Absolute interests in residue

- (1) Income is treated as arising in an accounting period from a company's absolute interest in the whole or part of the residue of an estate if—
 - (a) the company has an assumed income entitlement for the accounting period in respect of the interest (see sections 948 to 952), and
 - (b) condition A or B is met.
- (2) Condition A is that a payment is made in respect of the interest in the accounting period and before the end of the administration period (see section 938).
- (3) Condition B is that the accounting period is the final accounting period (see section 938).
- (4) Income treated as arising as a result of this section is estate income for the purposes of this Chapter.

938 Meaning of “the administration period”, “the final accounting period” and “the final tax year”

- (1) In this Chapter “the administration period”, in relation to the estate of a deceased person, means the period beginning with the deceased’s death and ending with the completion of the administration of the estate.
- (2) In the application of subsection (1) to Scotland, the reference to the completion of the administration is to be taken as a reference to the date at which, after discharge of, or provision for, liabilities falling to be met out of the deceased’s estate, the free balance held in trust for the residuary legatees or for the persons with the right to the intestate estate has been ascertained.
- (3) In this Chapter “the final accounting period” means the accounting period in which the administration period ends.
- (4) In this Chapter “the final tax year” means the tax year in which the administration period ends.

939 Limited interests in residue

- (1) Income is treated as arising in an accounting period from a company’s limited interest in the whole or part of the residue of an estate in cases A, B and C.
- (2) Case A is where—
 - (a) the interest has not ceased before the beginning of the accounting period, and
 - (b) a sum is paid in respect of the interest in that period and before the end of the administration period.
- (3) Case B is where—
 - (a) the accounting period is the final accounting period,
 - (b) the interest has not ceased before the beginning of that period, and
 - (c) a sum remains payable in respect of the interest at the end of the administration period.
- (4) Case C is where—
 - (a) the accounting period is a period before the final accounting period,
 - (b) the interest ceases in the accounting period, and
 - (c) a sum is paid in respect of the interest in a later accounting period but before the end of the administration period, or remains payable in respect of it at the end of the administration period.
- (5) This section does not apply to limited interests to which section 957 (successive interests: holders of limited interests) applies.
- (6) Income treated as arising as a result of this section or section 957 is estate income for the purposes of this Chapter.

940 Discretionary interests in residue

- (1) Income is treated as arising in an accounting period from a company’s discretionary interest in the whole or part of the residue of an estate if a payment is made in the accounting period in exercise of the discretion in the company’s favour.

- (2) Income treated as arising as a result of this section is estate income for the purposes of this Chapter.