



Corporation Tax Act 2009

2009 CHAPTER 4

PART 4

PROPERTY INCOME

CHAPTER 2

PROPERTY BUSINESSES

Introduction

203 Overview of Chapter

- (1) This Chapter explains for the purposes of this Act what is meant by—
 - (a) a company's UK property business (see section 205), and
 - (b) a company's overseas property business (see section 206).
- (2) Both those sections need to be read with—
 - (a) section 207 (which explains what is meant by generating income from land), and
 - (b) section 208 (which provides that certain activities do not count as activities for generating income from land).
- (3) In the case of a property business carried on by a company as a member of a firm, the basic rules in sections 205 and 206 are explained in section 1270(2) and (3).
- (4) See also [^{F1}section 86 of FA 2012] (which qualifies the basic rules in sections 205 and 206 [^{F2}for the purpose of applying the I - E rules in relation to] an insurance company).

Textual Amendments

F1 Words in s. 203(4) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 146\(a\)](#)

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F2 Words in s. 203(4) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 146\(b\)](#)

204 Meaning of “property business”

- (1) In this Act “property business” means a UK property business or an overseas property business.
- (2) References in this Act to a property business are to a property business so far as any profits of the business are chargeable to tax under Chapter 3 (as to which see, in particular, the rules about territorial scope in section 5).
- (3) Accordingly, nothing in Chapter 4 or 5 is to be read as treating an amount as a receipt of a property business if the profits concerned would not be chargeable to tax under Chapter 3.

Basic meaning of UK and overseas property business

205 UK property business

A company's UK property business consists of—

- (a) every business which the company carries on for generating income from land in the United Kingdom, and
- (b) every transaction which the company enters into for that purpose otherwise than in the course of such a business.

206 Overseas property business

A company's overseas property business consists of—

- (a) every business which the company carries on for generating income from land outside the United Kingdom, and
- (b) every transaction which the company enters into for that purpose otherwise than in the course of such a business.

Generating income from land

207 Meaning of “generating income from land”

- (1) In this Chapter “generating income from land” means exploiting an estate, interest or right in or over land as a source of rents or other receipts.
- (2) “Rents” includes payments by a tenant for work to maintain or repair leased premises which the lease does not require the tenant to carry out.
- (3) “Other receipts” includes—
 - (a) payments in respect of a licence to occupy or otherwise use land,
 - (b) payments in respect of the exercise of any other right over land, and
 - (c) rentcharges and other annual payments reserved in respect of, or charged on or issuing out of, land.
- (4) For the purposes of this section a right to use a caravan or houseboat at only one location is treated as a right deriving from an estate or interest in land.

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208 Activities not for generating income from land

For the purposes of this Chapter the following activities are not carried on for generating income from land—

- (a) farming or market gardening in the United Kingdom (but see section 36 (UK farming or market gardening treated as trade)),
- (b) any other occupation of land (but see section 38 (certain commercial occupation of UK land treated as trade)), and
- (c) activities for the purposes of a concern to which section 39 applies (profits of mines, quarries etc).

Modifications etc. (not altering text)

- C1** S. 208 modified (with effect in accordance with s. 148 of the amending Act) by [Finance Act 2012 \(c. 14\), s. 86\(1\)](#) (with s. 147, Sch. 17)

Changes to legislation:

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 322(2A)(zb) inserted by [2016 c. 24 s. 73\(5\)](#)
- s. 934(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 12\(2\)](#)
- s. 962(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(5\)\(b\)](#)
- s. 962A(3A) inserted by [2023 c. 30 Sch. 2 para. 12\(6\)\(b\)](#)
- s. 963(1A) inserted by [2023 c. 30 Sch. 2 para. 12\(7\)\(a\)](#)
- s. 1058B(5)(ea) inserted by [2023 c. 20 Sch. para. 57](#)
- s. 1094(2A)-(2C) inserted by [2012 c. 14 Sch. 3 para. 13\(3\)](#)
- s. 1106(4A)-(4C) inserted by [2012 c. 14 Sch. 3 para. 14\(3\)](#)
- s. 1138A applied by [S.I. 2024/348 reg. 3](#)