
Status: Point in time view as at 17/07/2013.

Changes to legislation: Corporation Tax Act 2009, Cross Heading: Lease premiums: taking account of deductions for rent as a result of section 37(4) or 87(2) of ICTA is up to date with all changes known to be in force on or before 20 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 2

TRANSITIONALS AND SAVINGS

PART 7

PROPERTY INCOME

Lease premiums: taking account of deductions for rent as a result of section 37(4) or 87(2) of ICTA

- 41 (1) Sub-paragraph (2) applies if—
- (a) in calculating the profits of a trade, profession or vocation for a tax year before the tax year 2005-06 or an accounting period ending before 1 April 2009, a person is treated as paying rent under section 87(2) of ICTA by reference to the amount chargeable for the purposes of that section, and
 - (b) as a result of paragraph 39(1) and (2) or section 227(4)(c) or (d) (lease taxed under ITTOIA 2005) the amount chargeable is the taxed receipt for the purposes of Chapter 4 of Part 4.
- (2) References in sections 230(5)(b) and 235(3)(c) to the deductions allowed for expenses under section 63 by reference to the taxed receipt include references to the deductions allowed in calculating the profits of the trade, profession or vocation for the rent that the person is treated as paying under section 87(2) of ICTA by reference to the amount chargeable.
- (3) Sub-paragraph (4) applies if—
- (a) in calculating the profits of a Schedule A business or an overseas property business (within the meaning of section 65A(4) or 70A(4) of ICTA) for a tax year before the tax year 2005-06 or an accounting period ending before 1 April 2009, a person is treated as paying rent as a result of section 37(4) of ICTA by reference to the amount chargeable on the superior interest for the purposes of that section, and
 - (b) as a result of paragraph 39(1) and (2) or section 227(4)(c) or (d) (lease taxed under ITTOIA 2005) the amount chargeable on the superior interest is the taxed receipt for the purposes of Chapter 4 of Part 4.
- (4) References in sections 230(5)(c) and 235(3)(b) to the deductions allowed for expenses under section 292 of ITTOIA 2005 by reference to the taxed receipt include references to the deductions allowed in calculating the profits of the Schedule A business or overseas property business (within the meaning of section 65A(4) or 70A(4) of ICTA) for the rent that the person is treated as paying as a result of section 37(4) of ICTA by reference to the amount chargeable on the superior interest.

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