



Corporation Tax Act 2010

2010 CHAPTER 4

PART 21

LEASING ARRANGEMENTS: FINANCE LEASES AND LOANS

CHAPTER 2

FINANCE LEASES WITH RETURN IN CAPITAL FORM

Relief for bad debts by reduction of cumulative rental excesses

913 Relief for bad debts: reduction of cumulative normal rental excess

- (1) This section applies if in relation to the lease for any period of account of the current lessor—
 - (a) there is a cumulative normal rental excess, and
 - (b) a bad debt deduction falls to be made in respect of rent from the lease.
- (2) If for that period—
 - (a) the accountancy rental earnings in the case of the lease do not exceed the normal rent, and
 - (b) the amount of the bad debt deduction exceeds the amount of that rent,
the cumulative normal rental excess for that period is reduced by the amount of the excess of that deduction over that rent (but not so as to reduce the amount of that rental excess below nil).
- (3) Subsections (4) and (5) apply if for that period the accountancy rental earnings in relation to the lease exceed the normal rent.
- (4) The amount of the cumulative normal rental excess that may be set against the taxable rent for that period under section 910 (reduction of taxable rent by the cumulative normal rental excess) is limited to the amount (if any) by which the accountancy rental earnings exceed the bad debt deduction.

Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2010. 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](#)

- (5) If for that period the bad debt deduction exceeds the accountancy rental earnings, the cumulative normal rental excess for that period is reduced by the amount of the excess (but not so as to reduce the amount of that rental excess below nil).
- (6) In this section, in relation to a period of account of the lessor—
“bad debt deduction” has the meaning given in section 911(6), and
“taxable rent” has the meaning given in section 906(2).

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

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

- Pt. 8B Ch. 10A inserted by [2024 c. 3 Sch. 2 para. 6\(4\)](#)
- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 357CG(4)(aa) inserted by [2024 c. 3 Sch. 2 para. 6\(3\)\(b\)](#)
- s. 357PD(6) inserted by [2024 c. 3 Sch. 1 para. 13\(4\)\(d\)\(iii\)](#)
- s. 357BJB(1)(da) inserted by [2024 c. 3 Sch. 2 para. 6\(3\)\(a\)\(i\)](#)
- s. 357BJB(7A) inserted by [2024 c. 3 Sch. 2 para. 6\(3\)\(a\)\(ii\)](#)
- s. 528(4A)(ba) inserted by [2024 c. 3 Sch. 7 para. 2](#)
- s. 528(4D) inserted by [2024 c. 3 Sch. 7 para. 4\(3\)](#)
- s. 528(5)(a) words in s. 528(5) renumbered as s. 528(5)(a) by [2024 c. 3 Sch. 7 para. 4\(4\)\(a\)](#)
- s. 528(5)(b) and word inserted by [2024 c. 3 Sch. 7 para. 4\(4\)\(b\)](#)
- s. 528(5A) inserted by [2024 c. 3 Sch. 7 para. 4\(5\)](#)
- s. 528(5D) inserted by [2024 c. 3 Sch. 7 para. 4\(6\)](#)
- s. 535A(7A) inserted by [2024 c. 3 Sch. 7 para. 9\(2\)](#)
- s. 544(4A) inserted by [2024 c. 3 Sch. 7 para. 7\(5\)](#)
- s. 553(4A) inserted by [2024 c. 3 Sch. 7 para. 10\(2\)\(c\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to legislation.gov.uk. Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))