



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART VI

SCHEDULE D

CHAPTER I

THE CHARGE

The Schedule, and the seven Cases

108 Schedule D

The Schedule referred to as Schedule D is as follows:—

“SCHEDULE D

- 1 Tax under this Schedule shall be charged in respect of—
 - (a) the annual profits or gains arising or accruing—
 - (i) to any person residing in the United Kingdom from any kind of property whatever, whether situated in the United Kingdom or elsewhere, and
 - (ii) to any person residing in the United Kingdom from any trade, profession or vocation, whether carried on in the United Kingdom or elsewhere, and
 - (iii) to any person, whether a British subject or not, although not resident in the United Kingdom, from any property whatever in the United Kingdom, or from any trade, profession or vocation exercised within the United Kingdom, and

Status: This is the original version (as it was originally enacted).

- (b) all interest of money, annuities and other annual profits or gains not charged under Schedule A, B, C or E, and not specially exempted from tax.
- 2 There shall also be charged under this Schedule, to the extent provided in Chapter VIII of this Part of this Act, income tax (but not corporation tax) in respect of the gains accruing to any person resident and ordinarily resident in the United Kingdom from his acquisition and disposal of assets.
- 3 The provisions of paragraphs 1 and 2 above are without prejudice to any other provision of the Tax Acts directing tax to be charged under this Schedule, and the tax so directed to be charged shall be charged accordingly.”

109 Tax to be charged under seven Cases

- (1) Tax under Schedule D shall be charged under the Cases set out in subsection (2) below, and subject to and in accordance with the provisions of the Tax Acts applicable to those Cases respectively.
- (2) The Cases are—
- Case I—tax in respect of any trade carried on in the United Kingdom or elsewhere ;
 - Case II—tax in respect of any profession or vocation not contained in any other Schedule ;
 - Case III—tax in respect of—
 - (a) any interest of money, whether yearly or otherwise, or any annuity or other annual payment, whether such payment is payable within or out of the United Kingdom, either as a charge on any property of the person paying the same by virtue of any deed or will or otherwise, or as a reservation out of it, or as a personal debt or obligation by virtue of any contract, or whether the same is received and payable half-yearly or at any shorter or more distant periods, but not including any payment chargeable under Schedule A, and
 - (b) all discounts, and
 - (c) income, except income charged under Schedule C, from securities bearing interest payable out of the public revenue;
 - Case IV—tax in respect of income arising from securities out of the United Kingdom, except such income as is charged under Schedule C ;
 - Case V—tax in respect of income arising from possessions out of the United Kingdom, not being income consisting of emoluments of any office or employment;
 - Case VI—tax in respect of any annual profits or gains not falling under any other Case of Schedule D, and not charged by virtue of Schedule A, B, C or E; and
 - Case VII—income tax chargeable by virtue of Chapter VIII of this Part of this Act in respect of gains accruing from the acquisition and disposal of assets.
- (3) The provisions of subsection (1) above are without prejudice to any other provision of the Tax Acts directing tax to be charged under one or other of the said Cases, and the tax so directed to be charged shall be charged accordingly.

Supplementary charging provisions

110 Farming, and other commercial occupation of land (except woodlands)

- (1) All farming and market gardening in the United Kingdom shall be treated as the carrying on of a trade or, as the case may be, of a part of a trade, and the profits or gains thereof shall be charged to tax under Case I of Schedule D accordingly.
- (2) All the farming carried on by any particular person or partnership or body of persons shall be treated as one trade.
- (3) The occupation of land in the United Kingdom for any purpose other than farming or market gardening shall, if the land is managed on a commercial basis and with a view to the realisation of profits, be treated as the carrying on of a trade or, as the case may be, of a part of a trade, and the profits or gains thereof shall be charged to tax under Case I of Schedule D accordingly:

Provided that nothing in this subsection shall affect the taxation of woodlands which are managed on a commercial basis and with a view to the realisation of profits.

111 Woodlands managed on a commercial basis

- (1) Any person occupying woodlands which are managed by him on a commercial basis and with a view to the realisation of profits may elect to be assessed and charged to tax in respect of those woodlands under Schedule D instead of under Schedule B.
- (2) The election of any such person shall be signified by notice in writing to the inspector not later than two years after the end of the chargeable period, and, from and after the receipt of the notice, the charge upon him for that period shall be under Schedule D, and the profits or gains arising to him from the occupation of the woodlands shall for all purposes be deemed to be profits or gains of a trade chargeable under that Schedule.
- (3) Any such election shall extend to all woodlands so managed on the same estate:

Provided that woodlands shall be treated for this purpose as being woodlands on a separate estate if the person occupying them gives notice to the inspector within ten years after the time when they are planted or replanted.

- (4) An election under this section shall have effect not only as respects the chargeable period, but also as respects all future chargeable periods so long as the woodlands are occupied by the person making the election.

112 Mines, quarries and other concerns

- (1) Profits or gains arising out of land in the case of any concern specified in subsection (2) below shall be charged to tax under Case I of Schedule D.
- (2) The said concerns are—
 - (a) mines and quarries (including gravel pits, sand pits and brickfields),
 - (b) ironworks, gasworks, salt springs or works, alum mines or works (not being mines falling within the preceding paragraph), and waterworks and streams of water,
 - (c) canals, inland navigations, docks, and drains or levels,
 - (d) fishings,

- (e) rights of markets and fairs, tolls, bridges and ferries,
- (f) railways and other ways, and
- (g) other concerns of the like nature as any of the concerns specified in paragraphs (b) to (e) above.

113 Foreign pensions

- (1) A pension which—
 - (a) is paid by or on behalf of a person outside the United Kingdom, and
 - (b) is not charged under paragraph 4 of Schedule E,shall be charged to tax under Case V of Schedule D.
- (2) Where—
 - (a) a person has ceased to hold any office or employment, and
 - (b) a pension or annual payment is paid to him, or to his widow or child, or to any relative or dependant of his, by the person under whom he held the office or by whom he was employed, or by the successors of that person, and
 - (c) that pension or annual payment is paid by or on behalf of a person outside the United Kingdom,

then, notwithstanding that the pension or payment is paid voluntarily, or is capable of being discontinued, it shall be deemed to be income for the purposes of assessment to tax, and shall be assessed and charged under Case V of Schedule D as income from a pension.

114 Persons chargeable

- (1) Subject to subsections (2) and (3) below, income tax under Schedule D shall be charged on and paid by the persons receiving or entitled to the income in respect of which the tax is directed by the Income Tax Acts to be charged.
- (2) Income tax to be charged under Schedule D in respect of any of the concerns mentioned in section 112 above shall be assessed and charged on the person carrying on the concern, or on the agents or other officers who have the direction or management of the concern or receive the profits thereof.
- (3) Where, in accordance with that section, income tax is charged under Schedule D on the profits of markets or fairs, or on tolls, fisheries or any other annual or casual profits not distrainable, the owner or occupier or receiver of the profits thereof shall be answerable for the tax so charged, and may retain and deduct the same out of any such profits.
- (4) For the purposes of corporation tax, the provisions of Chapter I of Part XI of this Act have effect to the exclusion of subsections (1) to (3) above.