

INCOME TAX (TRADING AND OTHER INCOME) ACT 2005

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3: Property income

Chapter 5: Profits of property businesses: other rules about receipts and deductions

Section 318: Transfer involving company within the charge to corporation tax

1299. This section ensures that entitlement to a deduction for expenditure on seawalls continues properly when the interest in the premises is transferred between an income tax payer and a corporation tax payer. It is based on section 30(2) of ICTA.
1300. Entitlement to a deduction for expenditure on seawalls can be transferred with ownership of the premises. That transfer can be between an income tax payer and a corporation tax payer. Section 316 deals with transfers between income tax payers. But it cannot deal with a transfer from a corporation tax payer to an income tax payer or the reverse because the provisions in this Act apply only to income tax payers.
1301. [Section 318](#) allows the seawalls provisions in this Act to work properly in respect of the party to the transfer who is subject to income tax.
1302. *Subsection (4)* signposts the reader to the source provision in ICTA that deals with the party to the transfer who is subject to corporation tax.