



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 3

PROPERTY INCOME

CHAPTER 8

RENT RECEIVABLE IN CONNECTION WITH A UK SECTION 12(4) CONCERN

Charge to tax on rent receivable in connection with a UK section 12(4) concern

335 Charge to tax on rent receivable in connection with a UK section 12(4) concern

Income tax is charged on rent receivable in connection with a UK section 12(4) concern.

336 Meaning of “rent receivable in connection with a UK section 12(4) concern”

- (1) For the purposes of this Chapter rent is receivable in connection with a UK section 12(4) concern if—
 - (a) it is receivable in respect of an estate, interest or right in or over land in the United Kingdom, and
 - (b) the estate, interest or right is used, occupied or enjoyed in connection with a concern listed in section 12(4).
- (2) For the purposes of this Chapter rent is also receivable in connection with a UK section 12(4) concern if—
 - (a) it is receivable in respect of an estate, interest or right in or over land in the United Kingdom,

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- (b) the lease or other agreement under which it is receivable provides for its recoupment by reducing royalties or payments of a similar nature, and
- (c) the reduction applies if the estate, interest or right is used, occupied or enjoyed in connection with a concern listed in section 12(4).

(3) In this Chapter “rent” includes—

- (a) a receipt mentioned in section 266(3), and
- (b) any other receipt in the nature of rent.

337 Income charged

(1) Tax is charged under this Chapter on the full amount of the profits arising in the tax year.

(2) This is subject to—

- section 339 (deduction for management expenses of owner of mineral rights),
F1 ...
- F1 ...

Textual Amendments

F1 S. 337 entry omitted (with effect in accordance with Sch. 39 para. 43(3) of the amending Act) by virtue of Finance Act 2012 (c. 14), **Sch. 39 para. 43(2)(a)(i)**

338 Person liable

The person liable for any tax charged under this Chapter is the person receiving or entitled to the rent.

Management expenses of owner of mineral rights

339 Deduction for management expenses of owner of mineral rights

(1) This section applies if in a tax year—

- (a) a person lets a right to work minerals in the United Kingdom, and
- (b) the person pays a sum wholly and exclusively as an expense of management or supervision of the minerals in the tax year.

(2) In calculating the amount of rent receivable in connection with a UK section 12(4) concern, a deduction is allowed for the sum for the tax year.

F2(3)

Textual Amendments

F2 S. 339(3) omitted (with effect in accordance with Sch. 39 para. 43(3) of the amending Act) by virtue of Finance Act 2012 (c. 14), **Sch. 39 para. 43(2)(a)(ii)**

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Mineral royalties

F³340 Relief in respect of mineral royalties

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Textual Amendments

- F3** Ss. 340-343 repealed (with effect in accordance with Sch. 39 para. 43(3) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 39 para. 43(1)(c)**

F³341 Meaning of “mineral lease or agreement” and “mineral royalties”

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Textual Amendments

- F3** Ss. 340-343 repealed (with effect in accordance with Sch. 39 para. 43(3) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 39 para. 43(1)(c)**

F³342 Extended meaning of “mineral royalties” etc. in Northern Ireland

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Textual Amendments

- F3** Ss. 340-343 repealed (with effect in accordance with Sch. 39 para. 43(3) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 39 para. 43(1)(c)**

F³343 Power of [^{F4}Commissioners] to determine what counts as “mineral royalties”

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Textual Amendments

- F3** Ss. 340-343 repealed (with effect in accordance with Sch. 39 para. 43(3) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 39 para. 43(1)(c)**
- F4** Word in s. 343 substituted (18.4.2005) by Commissioners for Revenue and Customs Act 2005 ss. 50, 53(1), {Sch. 4 para. 132(3)(a)}; S.I. 2005/1126, **art. 2(h)**

Changes to legislation:

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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):

- s. 7A-7D inserted by [2022 c. 3 Sch. 1 para. 3](#)
- s. 31E(4) inserted by [2022 c. 3 Sch. 1 para. 7\(3\)](#)
- s. 649(1A)(1B) inserted by [2023 c. 30 Sch. 2 para. 11\(2\)](#)
- s. 679(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(5\)\(b\)](#)
- s. 679A(3A) inserted by [2023 c. 30 Sch. 2 para. 11\(6\)\(b\)](#)
- s. 680(1A) inserted by [2023 c. 30 Sch. 2 para. 11\(7\)\(a\)](#)