



Income Tax (Trading and Other Income) Act 2005

2005 CHAPTER 5

PART 3

PROPERTY INCOME

CHAPTER 4

PROFITS OF PROPERTY BUSINESSES: LEASE PREMIUMS ETC.

Additional calculation rule for reducing certain receipts

287 Circumstances in which additional calculation rule applies

- (1) The rule in section 288 (the additional calculation rule) applies in relation to the calculation of receipts under—
 - section 277 (lease premiums),
 - section 279 (sums payable instead of rent),
 - section 280 (sums payable for surrender of lease),
 - section 281 (sums payable for variation or waiver of [^{F1}terms] of lease), or
 - section 282 (assignments for profit of lease granted at undervalue).
- (2) It applies if conditions A and B are met.
- (3) Condition A is that—
 - (a) in the case of a receipt under section 277, 279 or 280, the lease is granted out of a taxed lease,
 - (b) in the case of a receipt under section 281, the lease was granted out of a taxed lease, and
 - (c) in the case of a receipt under section 282, the assignment is of a taxed lease.

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- (4) A lease is a “taxed lease” for the purposes of this Chapter if—
- (a) there is a receipt under any of sections 277 to 282 in respect of the lease, ^{F2}...
 - (b) there would be such a receipt, but for the operation of the [^{F3}rule in section 288 (the additional calculation rule)] in the calculation of its amount.
 - [^{F4}(c) there is a receipt under any of sections 217 to 222 of CTA 2009 (receipts in respect of lease premiums, sums payable instead of rent, for surrender of lease and for variation or waiver of terms of lease and assignments) in respect of the lease, or
 - (d) there would be such a receipt, but for the operation of the rule in section 228 of that Act (the additional calculation rule) in the calculation of its amount.]

In this Chapter [^{F5}a receipt falling within paragraph (a), (b), (c) or (d)] is referred to as a “taxed receipt”.

- (5) Condition B is that the taxed receipt, or if there is more than one, at least one of them, has an unused amount.
- (6) See section 290 for an explanation of when a taxed receipt has an “unused amount”.

Textual Amendments

- F1** Word in s. 287(1) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 617\(2\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F2** Word in s. 287(4) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 617\(3\)\(a\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F3** Words in s. 287(4)(b) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 617\(3\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F4** S. 287(4)(c)(d) inserted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 617\(3\)\(c\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F5** Words in s. 287(4) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 617\(3\)\(d\)](#) (with [Sch. 2 Pts. 1, 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):

- 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\(7\)\(a\)](#)