

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 4: Property income

Overview

Chapter 4: Profits of property businesses: lease premiums etc

Overview

Section 243: Rules for determining effective duration of lease

879. This section contains rules for determining the effective duration of a lease. It is based on section 38(1) and (6) of ICTA. The corresponding provisions for income tax are in section 303 of ITTOIA.
880. *Subsection (1)* sets out various circumstances in which a lease may be treated as ceasing other than on the date specified in the lease. Rules 1, 2 and 3 are based on paragraphs (a), (b) and (c) respectively of section 38(1) of ICTA.
881. Rule 1 provides that the lease is treated as ending on the date beyond which it is unlikely that the lease will continue. See *Change 50* in Annex 1.
882. *Subsection (3)* is new. It ensures that all amounts that may give rise to a charge to tax by reason of sections 218 to 221 are treated as premiums in applying Rule 1 in subsection (1). See *Change 50* in Annex 1.
883. *Schedule 1* to this Act amends section 303 of ITTOIA (rules for determining effective duration of lease) so that the changes also apply for income tax. See *Change 50* in Annex 1.