



Corporation Tax Act 2010

2010 CHAPTER 4

PART 21

LEASING ARRANGEMENTS: FINANCE LEASES AND LOANS

CHAPTER 2

FINANCE LEASES WITH RETURN IN CAPITAL FORM

Current lessor taxed by reference to accountancy rental earnings

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- (1) This section applies if, in the case of any period of account of the current lessor (“L”)—
 - (a) this Chapter applies in relation to the lease, and
 - (b) the accountancy rental earnings in respect of the lease for that period of account exceed the normal rent for that period.
- (2) For corporation tax purposes, L is treated as if in that period of account L had been entitled to, and there had arisen to L, rent from the lease of an amount equal to those accountancy rental earnings (instead of the normal rent referred to in subsection (1) (b)).
- (3) Such rent from the lease of an asset is treated for corporation tax purposes—
 - (a) as if it had accrued at an even rate throughout so much of the period of account as falls within the period for which the asset is leased, and
 - (b) as if L had become entitled to it as it accrued.

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross
Heading: Current lessor taxed by reference to accountancy rental earnings.