



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 21

#### LEASING ARRANGEMENTS: FINANCE LEASES AND LOANS

### CHAPTER 2

#### FINANCE LEASES WITH RETURN IN CAPITAL FORM

#### *Reduction of taxable rent by cumulative rental excesses*

#### **906 Reduction of taxable rent by cumulative rental excesses: introduction**

- (1) This section and sections 907 to 910 provide for reductions of the taxable rent of a current lessor (“L”) under a lease to which this Chapter applies.
- (2) In this section and sections 907 to 910 “taxable rent”, in relation to a period of account of L, means the amount that would, apart from those sections, be treated for corporation tax purposes as rent from the lease that arises to L in that period of account for the purpose of determining L's liability to tax for the related accounting period or periods.
- (3) The reductions of taxable rent under sections 907 to 910 depend on there being—
  - (a) a cumulative accountancy rental excess for the period of account of L in question, or
  - (b) a cumulative normal rental excess for the period of account of L in question.
- (4) For the meaning of “cumulative accountancy rental excess” and “cumulative normal rental excess”, see sections 907 and 909 respectively.

**Changes to legislation:**

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 906.