
STATUTORY INSTRUMENTS

2007 No. 304

The Long Funding Leases (Elections) Regulations 2007

Election

2.—(1) A lessor may make an election (“a long funding lease election”) in respect of all his eligible leases and qualifying incidental leases.

In these Regulations “electing lessor” means a lessor who makes such an election.

(2) A long-funding lease election —

- (a) must be made within the permitted time;
- (b) must be made in the return for the relevant chargeable period or for the year of assessment to which the election relates, either by inclusion in the return as originally made or by an amendment to that return;
- (c) must specify the date from which it is to take effect (“the effective date”); and
- (d) may be withdrawn by amending that return within the permitted time (but is otherwise irrevocable).

Sub-paragraph (c) is subject to the qualification in paragraph (4).

(3) The permitted time is—

- (a) for income tax purposes, the period beginning with the end of the year of assessment to which the election relates, and ending 12 months after the 31st January next following that year of assessment;
- (b) for corporation tax purposes, the period beginning with the time when the relevant chargeable period ends and ending with the second anniversary of that time.

(4) The effective date may not be earlier than the later of—

- (a) 1st April 2006; and
- (b) the beginning of the relevant chargeable period or the year of assessment to which the election relates (as the case requires).

(5) If a long funding lease election has been made, the electing lessor shall be treated as if all the electing lessor’s eligible and qualifying incidental leases finalised on or after the effective date (including those finalised in subsequent chargeable periods or years of assessment) had been long funding leases for the purposes of Part 2 of CAA since they were finalised.

(6) For the purposes of this regulation—

- “chargeable period” has the meaning given by section 6 of CAA;
- “relevant chargeable period” means the chargeable period in which the effective date falls; and
- “the year of assessment to which the election relates” means the tax year in which ends the basis period in which falls the effective date.