



# Income Tax (Trading and Other Income) Act 2005

## 2005 CHAPTER 5

### PART 3

#### PROPERTY INCOME

#### CHAPTER 9

##### RENT RECEIVABLE FOR UK ELECTRIC-LINE WAYLEAVES

##### *Charge to tax on rent receivable for UK electric-line wayleaves*

#### **344 Charge to tax on rent receivable for a UK electric-line wayleave**

Income tax is charged on rent receivable for a UK electric-line wayleave.

#### **345 Meaning of “rent receivable for a UK electric-line wayleave”**

- (1) For the purposes of this Chapter rent is receivable for a UK electric-line wayleave if—
  - (a) it is receivable in respect of an easement, servitude or right in or over land in the United Kingdom, and
  - (b) the easement, servitude or right is enjoyed in connection with an electric, telegraph or telephone wire or cable.
- (2) The reference to the enjoyment of an easement, servitude or right in connection with an electric, telegraph or telephone wire or cable includes (in particular) its enjoyment in connection with—
  - (a) a pole or pylon supporting such a wire or cable, or
  - (b) apparatus used in connection with such a wire or cable.
- (3) In this Chapter “rent” includes—

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**Status:** Point in time view as at 06/04/2023.

**Changes to legislation:** There are currently no known outstanding effects for the *Income Tax (Trading and Other Income) Act 2005*, Cross Heading: Charge to tax on rent receivable for UK electric-line wayleaves. (See end of Document for details)

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- (a) a receipt mentioned in section 266(3), and
- (b) any other receipt in the nature of rent.

### **346 Extent of charge to tax**

- (1) Rent receivable for a UK electric-line wayleave is not chargeable to tax under this Chapter for a tax year if—
  - (a) a person carries on a UK property business in relation to some or all of the land to which the wayleave relates, and
  - (b) receipts (other than rents receivable for UK electric-line wayleaves) in respect of some or all of that land are brought into account in calculating the profits of the business for the tax year.
- (2) In such a case, the rent receivable for the UK electric-line wayleave is brought into account in calculating the profits of the person's UK property business.
- (3) The rules for determining whether an amount is chargeable to tax under this Chapter also need to be read with section 22(2) (payments for wayleaves if person carries on a trade).
- (4) That subsection secures that an amount which would otherwise be chargeable to tax under this Chapter may be brought into account instead in calculating the profits of a trade.

### **347 Income charged**

Tax is charged under this Chapter on the full amount of the profits arising in the tax year.

### **348 Person liable**

The person liable for any tax charged under this Chapter is the person receiving or entitled to the rent.

**Status:**

Point in time view as at 06/04/2023.

**Changes to legislation:**

There are currently no known outstanding effects for the Income Tax (Trading and Other Income) Act 2005, Cross Heading: Charge to tax on rent receivable for UK electric-line wayleaves.