Corporation Tax Act 2010

2010 CHAPTER 4

PART 9

LEASING PLANT OR MACHINERY

CHAPTER 2

LONG FUNDING LEASES OF PLANT OR MACHINERY

Lessors under long funding operating leases

367 Determination of remaining residual value resulting from lessor's first additional expenditure

(1) This section sets out how the remaining residual value of the plant or machinery resulting from the additional expenditure ("RRV") is determined for the purposes of section 366(4) if section 366 has not applied in relation to any previous additional expenditure incurred by the company in relation to the leased plant or machinery.

(2) RRV depends on whether—

   (a)   the amount ("ARV") which is expected to be the residual value of the plant or machinery at the time when the additional expenditure is incurred, exceeds

   (b)   the amount ("CRV") which at the commencement of the term of the lease is expected to be its residual value (or, if section 365 applies, would have been expected to be that value had that value been estimated at that time).

(3) If ARV exceeds CRV, RRV is the part of the excess that is a result of the additional expenditure.

(4) Otherwise, RRV is nil.

(5) For the meaning of "residual value", see section 381(4).

Changes to legislation:
Corporation Tax Act 2010, Section 367 is up to date with all changes known to be in force on or before 02 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.
View outstanding changes

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:
Whole provisions yet to be inserted into this Act (including any effects on those provisions):

–   s. 357CHA omitted by 2024 c. 3 Sch. 2 para. 14(7)
–   s. 658(1)(d)(e) inserted by 2010 c. 13 Sch. 6 para. 31 (This amendment not applied to legislation.gov.uk. Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))