



Income and Corporation Taxes Act 1970

1970 CHAPTER 10

PART III

SCHEDULE A, AND ASSOCIATED CHARGES UNDER SCHEDULE D

Supplemental (Schedules A and D)

86 Tax treatment of receipts and outgoings on sale of land

- (1) Where by virtue of a contract for the sale of an estate or interest in land there falls to be apportioned between the parties a receipt or outgoing in respect of the estate or interest which becomes due after the making of the contract but before the time to which the apportionment falls to be made, and a part of the receipt is therefore receivable by the vendor in trust for the purchaser or, as the case may be, a part of the outgoing is paid by the vendor as trustee for the purchaser, the purchaser shall be treated for the purposes of tax under Schedule A as if that part had become receivable or payable on his behalf immediately after the time to which the apportionment falls to be made.
- (2) Where by virtue of such a contract there falls to be apportioned between the parties a receipt or outgoing in respect of the estate or interest which became due before the making of the contract, the parties shall be treated for the purposes of tax under Schedule A as if the contract had been entered into before the receipt or outgoing became due, and subsection (1) above shall apply accordingly.
- (3) Where on the sale of an estate or interest in land there is apportioned to the vendor a part of a receipt or outgoing in respect of the estate or interest which is to become receivable or be paid by the purchaser after the making of the apportionment, then, for the purposes of tax under Schedule A—
 - (a) when the receipt becomes due or, as the case may be, the outgoing is paid, the amount of it shall be treated as reduced by so much thereof as was apportioned to the vendor, and
 - (b) the part apportioned to the vendor shall be treated as if it were of the same nature as the receipt or outgoing and had become receivable, or had been paid, directly by him immediately before the time to which the apportionment is

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

made and, where it is part of an outgoing, had become due immediately before that time.

- (4) Any reference in subsection (1) or (2) above to a party to a contract shall include a person to whom the rights and obligations of that party under the contract have passed by assignment or otherwise.
- (5) This section shall apply as respects tax under Case VI of Schedule D in a case falling within paragraph 4 of Schedule A (furnished lettings) as it applies as respects tax under Schedule A in other cases.

87 Relief for rent etc. not paid

- (1) Where on a claim in that behalf a person proves—
 - (a) that he has not received an amount which he was entitled to receive in respect of any rents or receipts on the profits or gains arising from which he would be chargeable under Schedule A, and
 - (b) if the non-receipt of the said amount was attributable to the default of the person by whom it was payable, that the claimant has taken any reasonable steps available to him to enforce payment,
 - (c) if the claimant waived payment of the said amount, that the waiver was made without consideration, and was reasonably made in order to avoid hardship,
 the claimant shall be treated for tax purposes for all relevant chargeable periods as if he had not been entitled to the said amount, and such adjustment shall be made, by repayment or otherwise, as the case may require; but if all or any of the said amount is subsequently received, the claimant or, if he is dead, his executors or administrators shall, not later than six months thereafter, give notice in writing of its receipt to the inspector, and such re-adjustment of liability to tax (for all relevant chargeable periods) shall be made as may be necessary, and may be made at any time at which it could be made if it related only to tax for the chargeable period in which the amount, or the part of the amount, is received.
- (2) Subsection (1) above shall apply in relation to sums chargeable to tax under Case VI of Schedule D by virtue of any provision of sections 80 to 82 above as it applies to profits or gains chargeable to tax under Schedule A.

88 Allowances for betterment levy

Schedule 4 to this Act (effect of charges to betterment levy on charges to tax under Schedules A and D) shall have effect.

89 Non-residents

- (1) Section 78 of the Taxes Management Act 1970 (taxation of non-residents in name of agent) shall not apply to tax on profits or gains chargeable to tax under Schedule A, or on any of the profits or gains chargeable under Case VI of Schedule D—
 - (a) in a case falling within paragraph 4 of Schedule A, or
 - (b) which arise under the terms of a lease, but to a person other than the landlord, or otherwise arise out of any disposition or contract such that if they arose to the person making it they would be chargeable under Schedule A,
 where payment is made (whether in the United Kingdom or elsewhere) directly to a person whose usual place of abode is outside the United Kingdom, but section 53 of

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

this Act shall apply in relation to the payment as it applies to annual payments charged with tax under Case III of Schedule D and not payable out of profits or gains brought into charge to income tax.

- (2) Subsection (1) above shall apply in relation to sums chargeable to tax under Case VI of Schedule D by virtue of any provision of sections 80 to 82 above as it applies to profits or gains chargeable to tax under Schedule A.
- (3) Where by virtue of subsection (1) above the income tax chargeable for any year of assessment on a person's profits or gains chargeable to tax under Schedule A or Case VI of Schedule D or both would, apart from this subsection, be greater than the tax which would be chargeable thereon apart from section 69(2) of this Act, then, on a claim in that behalf being made, relief shall be given from the excess, whether by repayment or otherwise.

90 Interpretation

- (1) In this Part of this Act, except where the context otherwise requires—
 - " assignment ", in relation to Scotland, means an assignation ;
 - " lease " includes an agreement for a lease, and any tenancy, but does not include a mortgage or heritable security, and " lessee ", " lessor " and " letting " shall be construed accordingly, and " lessee " and " lessor " include respectively the successors in title of a lessee or a lessor;
 - " premises " includes any land ;
 - " premium " includes any like sum, whether payable to the immediate or a superior landlord ;
 - " reversion ", in relation to Scotland, means the interest of the landlord in the property subject to the lease.
- (2) For the purposes of this Part of this Act any sum (other than rent) paid on or in connection with the granting of a tenancy shall be presumed to have been paid by way of premium except in so far as other sufficient consideration for the payment is shown to have been given.
- (3) In the application of this Part of this Act to Scotland " premium " includes in particular a grassum payable to any landlord or intermediate landlord on the creation of a sublease; and in this subsection "intermediate landlord" means, where an occupying lessee is a sub-lessee, any person for the time being holding the interest of landlord under a sub-lease which comprises the property of which the occupying lessee is sub-lessee, but does not include the immediate landlord.