



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART XIII **U.K.**

MISCELLANEOUS SPECIAL PROVISIONS

CHAPTER I **U.K.**

INTELLECTUAL PROPERTY

Modifications etc. (not altering text)

C1 Pt. 13 Ch. 1 modified (8.11.1995) by [Atomic Energy Authority Act 1995 \(c. 37\)](#), Sch. 3 para. 20

Patents and know-how

520 Allowances for expenditure on purchase of patent rights: post-31st March 1986 expenditure. **U.K.**

F1

Textual Amendments

F1 Ss. 520-523 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\)](#), Sch. 2 para. 44, Sch. 4

521 Provisions supplementary to section 520. **U.K.**

F2

Changes to legislation: *Income and Corporation Taxes Act 1988, CHAPTER I is up to date with all changes known to be in force on or before 27 June 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. (See end of Document for details) View outstanding changes*

Textual Amendments

- F2** Ss. 520-523 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\), Sch. 2 para. 44, Sch. 4](#)

522 Allowances for expenditure on purchase of patent rights: pre-1st April 1986 expenditure. U.K.

F3

Textual Amendments

- F3** Ss. 520-523 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\), Sch. 2 para. 44, Sch. 4](#)

523 Lapses of patent rights, sales etc. U.K.

F4

Textual Amendments

- F4** Ss. 520-523 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\), Sch. 2 para. 44, Sch. 4](#)

524 Taxation of receipts from sale of patent rights. U.K.

F5

Textual Amendments

- F5** S. 524 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 179, Sch. 3 Pt. 1 \(with Sch. 2 Pts. 1, 2\)](#)

525 Capital sums: ^{F6} . . . winding up or partnership change. U.K.

F7

Textual Amendments

- F6** Word in s. 525 sidenote omitted (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by virtue of [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 202\(5\) \(with Sch. 2\)](#)
- F7** S. 525 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 180, Sch. 3 Pt. 1 \(with Sch. 2 Pts. 1, 2\)](#)

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526 Relief for expenses. U.K.

F8

Textual Amendments

F8 S. 526 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 181, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

527 Spreading of royalties over several years. U.K.

[^{F9M1}(1) Where—

- (a) a royalty or other sum is paid to a company in respect of the user of a patent,
- (b) the user extended over a period of six complete years or more, and
- (c) the payment is one from which a sum representing income tax must be deducted under section 903 of ITA 2007,

the company may on the making of a claim require that the corporation tax payable by it by reason of the receipt of that sum shall be reduced so as not to exceed the total amount of corporation tax which would have been payable by it if that royalty or sum had been paid in six equal instalments at yearly intervals, the last of which was paid on the date on which the payment was in fact made.]

(2) Subsection (1) above shall apply in relation to a royalty or other sum where the period of the user is two complete years or more but less than six complete years as it applies to the royalties and sums mentioned in that subsection, but with the substitution for the reference to six equal instalments of a reference to so many equal instalments as there are complete years comprised in that period.

(3) ^{F10}

(4) ^{F11}

Textual Amendments

F9 S. 527(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 108(2)** (with Sch. 2)

F10 S. 527(3) repealed (with effect in accordance with Sch. 14 Pt. 8 Note 5 of the repealing Act) by Finance Act 1988 (c. 39), **Sch. 14 Pt. 8**

F11 S. 527(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 108(3), **Sch. 3 Pt. 1** (with Sch. 2)

Marginal Citations

M1 Source - 1970 s.384

528 Manner of making allowances and charges. U.K.

F12

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Textual Amendments

F12 S. 528 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 182, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

529 Patent income to be earned income in certain cases. U.K.

F13

Textual Amendments

F13 S. 529 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 206, **Sch. 3** (with Sch. 2)

530 Disposal of know-how. U.K.

F14

Textual Amendments

F14 S. 530 repealed (with effect in accordance with s. 579 of the repealing Act) by Capital Allowances Act 2001 (c. 2), Sch. 2 para. 47, **Sch. 4**

531 Provisions supplementary to section 530. U.K.

F15

Textual Amendments

F15 S. 531 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 183, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

532 Application of Capital Allowances Act U.K.

F16

Textual Amendments

F16 S. 532 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 184, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

533 Interpretation of sections 520 to 532. U.K.

F17

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Textual Amendments

F17 [S. 533](#) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 185, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Copyright and public lending right

534 Relief for copyright payments etc. U.K.

F18

Textual Amendments

F18 [S. 534](#) repealed (with effect in accordance with s. 71(3) of the repealing Act) by [Finance Act 2001 \(c. 9\), Sch. 33 Pt. 2\(6\)](#)

535 Relief where copyright sold after ten years or more. U.K.

F19

Textual Amendments

F19 [S. 535](#) repealed (with effect in accordance with s. 71(3) of the repealing Act) by [Finance Act 2001 \(c. 9\), Sch. 33 Pt. 2\(6\)](#)

536 Taxation of royalties where owner abroad. U.K.

F20

Textual Amendments

F20 [Ss. 536, 537, 537B](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 110, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

537 Public lending right. U.K.

F21

Textual Amendments

F21 [Ss. 536, 537, 537B](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 110, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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f^{F22} Designs

Textual Amendments

F22 Ss. 537A, 537B and preceding cross-heading inserted (1.8.1989) by [Intellectual Property Act 1988](#) (c. 48), [Sch. 7 para. 36\(6\)](#); S.I. 1989/816, [art. 2](#)

537A Relief for payments in respect of designs. **U.K.**

F23

Textual Amendments

F23 S. 537A repealed (with effect in accordance with s. 71(3) of the repealing Act) by [Finance Act 2001](#) (c. 9), [Sch. 33 Pt. 2\(6\)](#)

537B Taxation of design royalties where owner abroad. **U.K.**

F24]

Textual Amendments

F24 Ss. 536, 537, 537B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007](#) (c. 3), [Sch. 1 para. 110](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Artists' receipts

538 Relief for painters, sculptors and other artists. **U.K.**

F25

Textual Amendments

F25 S. 538 repealed (with effect in accordance with s. 71(3) of the repealing Act) by [Finance Act 2001](#) (c. 9), [Sch. 33 Pt. 2\(6\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act Tax Acts: power to modify conferred by [2004 c. 25 s. 18](#)
- Act applied (with modifications) by [S.I. 2010/875 reg. 16Sch. 2](#) (This amendment not applied to legislation.gov.uk. S.I. 2010/875 was revoked (27.8.2010) by SI 2010/1906, reg. 2 without having come into force)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 109A(4B) inserted by [2005 c. 7 Sch. 4 para. 6\(3\)](#) (This amendment not applied to legislation.gov.uk. The amending provision (2005 c. 7, Sch. 4 para. 6) repealed retrospectively by 2005 c. 22, Sch. 6 para. 4(1)(6))
- Sch. 19AB para. 5(5)(a)(b) words substituted by [S.I. 2001/3629 art. 52\(2\)\(n\)](#) (This amendment not applied to legislation.gov.uk. The words to be substituted do not occur in Sch. 19AB para. 5)