



Finance Act 2006

2006 CHAPTER 25

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 9

MISCELLANEOUS PROVISIONS

Sale of lessors

85 Restrictions on effect of elections under section 266 of CAA 2001

- (1) CAA 2001 is amended as follows.
- (2) In section 266 (election where predecessor and successor are connected persons), in subsection (7) (sections 104, 108 and 265 not to apply if election is made), at the end insert “(but see section 267A)”.
- (3) In section 267 (effect of election), at the end insert—
 - “(6) This section is subject to section 267A.”.
- (4) After that section insert—

“267A Restriction on effect of election

- (1) This section applies for corporation tax purposes if—
 - (a) on any day (“the relevant day”) a person (“the predecessor”) carries on a business of leasing plant or machinery,
 - (b) on the relevant day another person (“the successor”) succeeds to the business, and
 - (c) the predecessor and the successor make an election under section 266.

Status: This is the original version (as it was originally enacted).

- (2) Neither—
- (a) section 266(7), nor
 - (b) the provisions of section 267,
- have effect in relation to any plant or machinery which, in determining whether the business is a business of leasing plant or machinery on the relevant day, is qualifying leased plant or machinery.
- (3) In this section “business of leasing plant or machinery”—
- (a) has the same meaning as in Part 2 of Schedule 10 to FA 2006 (sale etc of lessor companies etc) (if the business is carried on otherwise than in partnership), or
 - (b) has the same meaning as in Part 3 of that Schedule (if the business is carried on in partnership).”.
- (5) The amendments made by this section have effect in relation to any succession occurring on or after 5th December 2005.