



Corporation Tax Act 2009

2009 CHAPTER 4

PART 3

TRADING INCOME

CHAPTER 2

INCOME TAXED AS TRADE PROFITS

Trades and trade profits

36 Farming and market gardening

- (1) Farming or market gardening in the United Kingdom is treated for corporation tax purposes as the carrying on of a trade or part of a trade (whether or not the land is managed on a commercial basis and with a view to the realisation of profits).
- (2) All farming in the United Kingdom carried on by a company, other than farming carried on as part of another trade, is treated for corporation tax purposes as one trade.
- (3) This section does not apply to farming or market gardening by an insurance company on land which is an asset [^{F1}held by the company for the purposes of its long-term business].
- (4) In the case of farming carried on by a company as a member of a firm, this rule is explained by section 1270(1).

Textual Amendments

F1 Words in s. 36(3) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 16 para. 139

Status: Point in time view as at 17/07/2012.

Changes to legislation: Corporation Tax Act 2009, Cross Heading: Trades and trade profits is up to date with all changes known to be in force on or before 12 July 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)

37 Commercial occupation of woodlands

- (1) The commercial occupation of woodlands in the United Kingdom is not a trade or part of a trade for any corporation tax purpose.
- (2) For this purpose the occupation of woodlands is commercial if the woodlands are managed—
 - (a) on a commercial basis, and
 - (b) with a view to the realisation of profits.
- (3) See also sections 208 and 980 (which, when read with this section, secure that profits or losses from the commercial occupation of woodlands in the United Kingdom are ignored for corporation tax purposes).

38 Commercial occupation of land other than woodlands

- (1) The commercial occupation of land in the United Kingdom is treated for corporation tax purposes as the carrying on of a trade or part of a trade.
- (2) For this purpose the occupation of land is commercial if the land is managed—
 - (a) on a commercial basis, and
 - (b) with a view to the realisation of profits.
- (3) This section does not apply—
 - (a) to farming or market gardening (which is dealt with by section 36),
 - (b) if the land is being prepared for forestry purposes,
 - (c) if the land comprises woodlands (which is dealt with by section 37), or
 - (d) to the occupation by an insurance company of land which is an asset [^{F2}held by the company for the purposes of its long-term business].

Textual Amendments

F2 Words in s. 38(3)(d) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 140](#)

39 Profits of mines, quarries and other concerns

- (1) Profits or losses arising out of land in the case of a concern to which this section applies are calculated as if the concern were a trade.
- (2) Any profits arising out of the land are treated for the purposes of [^{F3}section] 35 as profits of a trade.
- (3) Any losses arising out of the land are treated for the purposes of [^{F4}Chapter 2 of Part 4 of CTA 2010 (trade loss relief), and Part 5 of that Act (group relief),] as losses of a trade carried on in the United Kingdom.
- (4) The concerns to which this section applies are—
 - (a) mines and quarries (including gravel pits, sand pits and brickfields),
 - (b) ironworks, gasworks, salt springs or works, alum mines or works, waterworks and streams of water,
 - (c) canals, inland navigation, docks and drains or levels,
 - (d) rights of fishing,

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- (e) rights of markets and fairs, tolls, bridges and ferries,
 - (f) railways and other kinds of way, and
 - (g) a concern of the same kind as one specified in paragraph (b), (c), (d) or (e).
- (5) But this section does not apply to a concern—
- (a) if it is carried on by an insurance company on land which is an asset [^{F5}held by the company for the purposes of its long-term business], or
 - (b) if section 38 (commercial occupation of land other than woodlands) applies to the occupation of the land out of which the profits or losses arise.

Textual Amendments

- F3** Word in s. 39(2) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 310](#) (with [Sch. 9 paras. 1-9, 22](#))
- F4** Words in s. 39(3) substituted (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), s. 1184\(1\), Sch. 1 para. 592](#) (with [Sch. 2](#))
- F5** Words in s. 39(5)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 141](#)

40 Credit unions

- (1) If a credit union—
- (a) makes loans to its members, or
 - (b) invests its surplus funds (by placing them on deposit or otherwise),
- that is not treated, in calculating the credit union's income, as the carrying on of a trade or part of a trade.
- (2) In this section “surplus funds” means funds not immediately required for the credit union's purposes.

Status:

Point in time view as at 17/07/2012.

Changes to legislation:

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