



# Corporation Tax Act 2009

## 2009 CHAPTER 4

### PART 3

#### TRADING INCOME

### CHAPTER 5

#### TRADE PROFITS: RULES ALLOWING DEDUCTIONS

##### *Tenants under taxed leases*

#### **63 Tenants occupying land for purposes of trade treated as incurring expenses**

- (1) The tenant under the taxed lease is treated as incurring an expense of a revenue nature in respect of the land subject to the taxed lease for each qualifying day.
- (2) If there is more than one taxed receipt, this section applies separately in relation to each of them.
- (3) A day is a “qualifying day”, in relation to a taxed receipt, if it is a day—
  - (a) that falls within the receipt period of the taxed receipt, and
  - (b) on which the tenant occupies the whole or part of the land subject to the taxed lease for the purposes of carrying on a trade.
- (4) If on the qualifying day the tenant occupies the whole of the land subject to the taxed lease for the purposes of the trade, the amount of the expense for the qualifying day by reference to the taxed receipt is given by the formula—

*Status: Point in time view as at 17/07/2013.*

*Changes to legislation: Corporation Tax Act 2009, Section 63 is up to date with all changes known to be in force on or before 25 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)*

$$\frac{A}{\text{TRP}}$$

where—

A is the unreduced amount of the taxed receipt, and

TRP is the number of days in the receipt period of the taxed receipt.

- (5) If on the qualifying day the tenant occupies part of the land subject to the taxed lease for the purposes of the trade, the amount of the expense for the qualifying day by reference to the taxed receipt is given by the formula—

$$\frac{F \times A}{\text{TRP}}$$

where—

F is the fraction of the land that is so occupied calculated on a just and reasonable basis, and

A and TRP have the same meaning as in subsection (4).

[<sup>F1</sup>(5A) No expense is to be determined under this section by reference to the taxed receipt if section 232(4B) or (4C) applies.]

- (6) This section is subject to section 64 (limit on deductions if tenant entitled to mineral extraction allowance).

#### Textual Amendments

- F1** S. 63(5A) inserted (with effect in accordance with Sch. 28 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 28 para. 6](#)

**Status:**

Point in time view as at 17/07/2013.

**Changes to legislation:**

Corporation Tax Act 2009, Section 63 is up to date with all changes known to be in force on or before 25 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.