

*These notes refer to the Corporation Tax Act 2010  
(c.4) which received Royal Assent on 3 March 2010*

# CORPORATION TAX ACT 2010

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## EXPLANATORY NOTES

### INTRODUCTION

#### **Part 9: Leasing plant or machinery**

#### ***Chapter 4: Sales of lessors: leasing business carried on by a company in partnership***

#### ***Section 425: Partner company's income and matching expense in different accounting periods***

1279. This section provides for an accounting period to end if there is a “qualifying change of ownership” in relation to a company within the charge to corporation tax carrying on a business of leasing plant or machinery in partnership. It is based on paragraph 33 of Schedule 10 to FA 2006.
1280. This section is the equivalent of section 383 which applies where the company is carrying on the business alone. “Qualifying change of ownership” has the same meaning in this section as it does in section 383 (see sections 392 to 398).
1281. On the day the accounting period ends the company is treated as receiving an amount of income which is brought into account in calculating the profits of the company’s “notional business” for that accounting period for corporation tax purposes. See *subsections (2) and (3)*.
1282. On the following day the company is treated as incurring an expense which is brought into account in calculating the profits of the company’s “notional business” for a new accounting period for corporation tax purposes. See *subsections (4) and (5)*.