



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 9

#### LEASING PLANT OR MACHINERY

#### CHAPTER 4

##### SALES OF LESSORS: LEASING BUSINESS CARRIED ON BY A COMPANY IN PARTNERSHIP

##### *“Business of leasing plant or machinery”*

#### **412 Provision supplementing section 411**

- (1) For the purposes of section 411 and this section the amounts shown in the appropriate balance sheet of the partnership or, as the case may be, any company in respect of any plant or machinery are—
  - (a) the amounts shown in that balance sheet as the net book value (or carrying amount) in respect of the plant or machinery, and
  - (b) the amounts shown in that balance sheet as the net investment in respect of finance leases of the plant or machinery.
- (2) If—
  - (a) any of the plant or machinery is a fixture in any land (see section 437(5)), and
  - (b) the amount which falls (or would fall) to be shown in an appropriate balance sheet as the net book value (or carrying amount) of the land includes (or would include) an amount in respect of the fixture,the amount of the net book value (or carrying amount) in respect of the fixture is determined on a just and reasonable basis.
- (3) If—
  - (a) any of the plant or machinery is subject to a finance lease (see section 437(4)), and

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**Changes to legislation:** *Corporation Tax Act 2010, Section 412 is up to date with all changes known to be in force on or before 10 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) View outstanding changes*

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- (b) any land or other asset which is not plant or machinery is subject to that lease, the amount of the net investment in respect of the finance lease of that plant or machinery is determined on a just and reasonable basis.
- (4) In section 411 and this section any reference to any amount shown in the appropriate balance sheet of the partnership or a company is to the amount which, on the assumptions in subsection (5), falls (or would fall) to be shown in a balance sheet of the partnership or, as the case may be, the company.
- (5) The assumptions are that—
- (a) the balance sheet is drawn up in accordance with generally accepted accounting practice, and
  - (b) if the partnership acquired any plant or machinery in circumstances in which this paragraph applies, the plant or machinery had been acquired for an amount equal to its [<sup>F1</sup>ascribed value] as at the relevant day.
- (6) Paragraph (b) of subsection (5) applies if—
- (a) the relevant day falls on or after 22 March 2006,
  - (b) the plant or machinery was acquired directly or indirectly from a person who was connected with the partnership when the acquisition took place, and
  - (c) either the acquisition took place on or after 5 December 2005 or the person from whom the plant or machinery was so acquired was also connected with the partnership on that date.

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**Textual Amendments**

- F1** Words in s. 412(5)(b) substituted (with effect in accordance with Sch. 6 para. 27 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 6 para. 12](#)

**Changes to legislation:**

Corporation Tax Act 2010, Section 412 is up to date with all changes known to be in force on or before 10 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.

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

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

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))