

Extension of charge under Case I of Schedule D to certain profits from dealing in or developing land.
F(MP)A68 s17; FA81 s28 640.—(1) For the purposes of subsection (2)—

(a) a dealing in land shall be regarded as taking place where a person having an interest in any land disposes, as regards the whole or any part of the land, of that interest or of an interest which derives from that interest, and

(b) a person who secures the development of any land shall be regarded as developing that land.

(2) (a) Where apart from this section all or some of the activities of a business of dealing in or developing land would not be regarded as activities carried on in the course of a trade within Schedule D but would be so regarded if every disposal of an interest in land included among such activities (including a disposal of an interest in land which apart from this section is a disposal of the full interest in the land which the person carrying on the business had acquired) were treated as fulfilling the conditions specified in paragraph (b), the business shall be deemed to be wholly a trade within Schedule D or, as the case may be, part of such a trade, and the profits or gains of that business shall be charged to tax under Case I of Schedule D accordingly.

(b) The conditions referred to in paragraph (a) are—

(i) that the disposal was a disposal of the full interest in the land which the person carrying on the business had acquired, and

(ii) that the interest disposed of had been acquired by such person in the course of the business.

(3) Where an interest in land is disposed of in the course of the winding up of a company, the company shall for the purposes of this section be deemed not to have ceased to carry on the trade or business which it carried on before the commencement of the winding up until the completion of the disposal, or of the last such disposal where there is more than one, and the question whether any such disposal was made in the course of a business of dealing in or developing land which is, or is to be deemed to be, a trade or part of a trade shall accordingly be determined without regard to the fact that the company is being wound up.