

Postponement of payment of corporation tax to be permitted in certain cases. CTA76 s150 647.—(1) Where—

(a) for any accounting period the profits of a company consist of or include income from a trade of dealing in or developing land in the course of which the company disposes of the full interest acquired by it in any land,

(b) in relation to that disposal, the conditions specified in paragraphs (b) to (e) of section 646 (2) are satisfied, and

(c) at the time when any amount of corporation tax charged by an assessment for that accounting period would but for this section become due and payable the company—

(i) retains the leasehold interest acquired by it from the person to whom the disposition is made, and

(ii) has not disposed, as regards the whole or any part of the land, of an interest derived from that leasehold interest,

then, a part of that amount of corporation tax equal to 90 per cent of so much of that amount as would not have been chargeable if no sum had to be taken into account as mentioned in section 646 (2)(d) shall be payable in 9 equal instalments at yearly intervals the first of which shall be payable on the expiration of 12 months from the date on which but for this section that amount of corporation tax would have been payable.

(2) Where, in a case in which the postponement of payment of any amount of corporation tax has been authorised by subsection (1), the company—

(a) ceases to retain the leasehold interest acquired by it,

(b) disposes, as regards the whole or any part of the land, of an interest derived from that leasehold interest, or

(c) commences to be wound up,

then, that amount of corporation tax or, as the case may be, so much of that amount of corporation tax as has not already become due and payable shall become due and payable forthwith.