

Lands owned and occupied, and trades carried on by, charities. ITA67 s334(1)(a) and (c), (2A) and (3); FA69 s33(1) and Sch4 Ptl and s65(1) and Sch5 Ptl; FA81 s11 208.—(1) In this section, “charity” means any body of persons or trust established for charitable purposes only.

(2) Exemption shall be granted—

(a) from income tax chargeable under Case I (b) of Schedule D by virtue of section 18 (2) where the profits or gains so chargeable arise out of lands, tenements or hereditaments which are owned and occupied by a charity;

(b) from income tax chargeable under Schedule D in respect of the profits of a trade carried on by any charity, if the profits are applied solely to the purposes of the charity and either—

(i) the trade is exercised in the course of the actual carrying out of a primary purpose of the charity,
or

(ii) the work in connection with the trade is mainly carried on by beneficiaries of the charity.

(3) Subsection (2)(b) shall apply in respect of the profits of a trade of farming carried on by a charity as if the words after “solely to the purposes of the charity” were deleted.