

Case V: basis of assessment. ITA67 s81(1), (2) and (3)(a) and s86; FA69 s22, s33(1) and Sch4 Ptl and s65(1) and Sch5 Ptl; FA90 s18(1)(a) 75.—(1) Without prejudice to any other provision of the Income Tax Acts, the profits or gains arising from—

(a) any rent in respect of any premises, and

(b) any receipts in respect of any easement,

shall, subject to and in accordance with the provisions of the Income Tax Acts, be deemed for the purposes of those Acts to be annual profits or gains within Schedule D, and the person entitled to such profits or gains shall be chargeable in respect of such profits or gains under Case V of that Schedule; but such rent or such receipts shall not include any payments to which section 104 applies.

(2) Profits or gains chargeable under Case V of Schedule D shall, for the purposes of ascertaining liability to income tax, be deemed to issue from a single source, and subsection (3) shall apply accordingly.

(3) Tax under Case V of Schedule D shall be computed on the full amount of the profits or gains arising within the year of assessment.

(4) Neither this section nor section 97 or 384 shall apply to a case in which the rent reserved under a lease (including, in the case of a lease granted on or after the 6th day of April, 1963, the duration of which does not exceed 50 years, an appropriate sum in respect of any premium payable under the lease) is insufficient, taking one year with another, to defray the cost to the lessor of fulfilling such lessor's obligations under the lease and of meeting any expense of maintenance, repairs, insurance and management of the premises subject to the lease which falls to be borne by such lessor.

(5) Section 96 shall apply for the interpretation of this section as it applies for the interpretation of Chapter 8 of this Part.