

Taxation of certain rents and other payments. ITA67 s93(1) and (2); FA69 s29 104.—(1) (a) This section shall apply to the following payments—

(i) any rent payable in respect of any premises or easements where the premises or easements are used, occupied or enjoyed in connection with any of the concerns the profits or gains arising out of which are chargeable to tax under Case I(b) of Schedule D by virtue of section 18 (2), and

(ii) any yearly interest, annuity or other annual payment reserved in respect of, or charged on or issuing out of any premises, not being a rent or a payment in respect of an easement.

(b) In paragraph (a)(i), the reference to rent shall be deemed to include a reference to a toll, duty, royalty or annual or periodical payment in the nature of rent, whether payable in money, money's worth or otherwise.

(2) (a) Any payment to which this section applies shall—

(i) in so far as it is not within any other Case of Schedule D, be charged with tax under Case IV of that Schedule, and

(ii) be treated for the purposes of sections 81 (2)(m), 237 and 238 as if it were a royalty paid in respect of the user of a patent.

(b) Notwithstanding paragraph (a), where a rent mentioned in subsection (1)(a) is rendered in produce of the concern, this subsection shall apply as if paragraph (a)(ii) were deleted, and the value of the produce so rendered shall be taken to be the amount of profits or gains arising from that produce.