

Spreading of revenue payments over several years. ITA67 s195B(3) and (6) and s291; CTA76 s21(1) and Sch1 par40; FA93 s10(1) 759.—(1) In this section, any reference to the tax payable by a person includes, in cases where the income of an individual's spouse is deemed to be the income of the individual, references to the income tax payable by the individual's spouse.

(2) Where a royalty or other sum to which section 237 or 238 applies is paid in respect of the user of a patent and that user extended over a period of 6 complete years or more, the person receiving the payment may require that the tax payable by that person by reason of the receipt of that sum shall be reduced so as not to exceed the total amount of tax which would have been payable by that person if that royalty or sum had been paid in 6 equal instalments at yearly intervals, the last of which was paid on the date on which the payment was in fact made.

(3) Subsection (2) shall apply in relation to a royalty or other sum where the period of the user is 2 complete years or more but less than 6 complete years as it applies to the royalties and sums mentioned in that subsection, but with the substitution for the reference to 6 equal instalments of a reference to so many equal instalments as there are complete years comprised in that period.

(4) Nothing in this section shall apply to any sum to which section 238 applies by virtue of section 757.