

Plant in Leased Buildings

Part 04-08-07

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Note: This manual is currently subject to review and may not reflect up-to-date position.

Most recent version.

Introduction

Tax and Duty Manual [Part 09-02-03](#) deals with the issue of plant that is let with a building. It contains details of a Revenue practice in relation to the treatment of wear and tear allowances where certain items of plant are integral to an industrial building with which they are let. The following is an extract from this instruction.

1. Charging of income from the letting of plant

1.1 Case V

Where a composite payment made under a lease relates partly to premises and partly to items of plant the full payment is regarded as rent for tax purposes and is chargeable under Case V. This applies whether or not the plant is integral to the building.

1.2 Case IV or Case I

Where the plant is let under a separate lease, a separate tax charge is made in respect of the income from the letting of plant. Income from leasing in the course of a trade is chargeable under Case I. It is a question of fact whether a trade of leasing is being carried on in any particular situation. Income from leasing plant that is not chargeable under Case I or Case V is chargeable under Case IV.