



Corporation Tax Act 2010

2010 CHAPTER 4

[^{F1}PART 8B

TRADING PROFITS TAXABLE AT THE NORTHERN IRELAND RATE

[^{F1}][^{F2}CHAPTER 14B

MUSEUMS AND GALLERIES EXHIBITION TAX RELIEF

Textual Amendments

- F1** Pt. 8B inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\), s. 1](#)
- F2** Pt. 8B Ch. 14B inserted (with effect in accordance with Sch. 6 para. 20 of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 6 para. 17](#)

Introductory

357UR Introduction and interpretation

- (1) This Chapter makes provision about the operation of Part 15E of CTA 2009 (museums and galleries exhibition tax relief) in relation to expenditure incurred by a company in an accounting period in which it is a Northern Ireland company.
- (2) In this Chapter—
 - (a) “Northern Ireland expenditure” means expenditure incurred in a trade to the extent that the expenditure forms part of the Northern Ireland profits or Northern Ireland losses of the trade;
 - (b) “the separate exhibition trade” has the same meaning as in Part 15E of CTA 2009 (see section 1218ZB(3) of that Act);

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- (c) “qualifying expenditure” has the same meaning as in Chapter 3 of that Part (see section 1218ZCG of that Act).
- (3) References in Part 15E of CTA 2009 to “museums and galleries exhibition tax relief” include relief under this Chapter.

Museums and galleries exhibition tax relief

357US Northern Ireland additional deduction

- (1) In this Chapter “a Northern Ireland additional deduction” means so much of a deduction under section 1218ZCE of CTA 2009 (claim for additional deduction) as is calculated by reference to qualifying expenditure that is Northern Ireland expenditure.
- (2) A Northern Ireland additional deduction forms part of the Northern Ireland profits or Northern Ireland losses of the separate exhibition trade.

357UT Northern Ireland supplementary deduction

- (1) This section applies where—
 - (a) a company is entitled under section 1218ZCE of CTA 2009 to an additional deduction in calculating the profit or loss of the separate exhibition trade in an accounting period,
 - (b) the company is a Northern Ireland company in the period,
 - (c) the additional deduction is wholly or partly a Northern Ireland additional deduction, and
 - (d) any of the following conditions is met—
 - (i) the company does not have a surrenderable loss in the accounting period;
 - (ii) the company has a surrenderable loss in the accounting period, but does not make a claim under section 1218ZCH of CTA 2009 (museums and galleries exhibition tax credit claimable if company has surrenderable loss) for the period;
 - (iii) the company has a surrenderable loss in the accounting period and makes a claim under that section for the period, but the amount of Northern Ireland losses surrendered on the claim is less than the Northern Ireland additional deduction.
- (2) The company is entitled to make another deduction (“a Northern Ireland supplementary deduction”) in respect of qualifying expenditure.
- (3) See section 357UU for provision about the amount of the Northern Ireland supplementary deduction.
- (4) The Northern Ireland supplementary deduction—
 - (a) is made in calculating the profit or loss of the separate exhibition trade, and
 - (b) forms part of the Northern Ireland profits or Northern Ireland losses of the separate exhibition trade.
- (5) In this section “surrenderable loss” has the meaning given by section 1218ZCI of CTA 2009.

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357UU Northern Ireland supplementary deduction: amount

- (1) This section contains provision for the purposes of section 357UT(2) about the amount of the Northern Ireland supplementary deduction.
- (2) If the accounting period falls within only one financial year, the amount of the Northern Ireland supplementary deduction is—

$$(A - B) \times \left(\frac{MR - NIR}{NIR} \right)$$

where—

A is the amount of the Northern Ireland additional deduction brought into account in the accounting period;

B is the amount of Northern Ireland losses surrendered in any claim under section 1218ZCH of CTA 2009 for the accounting period;

MR is the main rate for the financial year;

NIR is the Northern Ireland rate for the financial year.

- (3) If the accounting period falls within more than one financial year, the amount of the Northern Ireland supplementary deduction is determined by taking the following steps.

Step 1 Calculate, for each financial year, the amount that would be the Northern Ireland supplementary deduction for the accounting period if it fell within only that financial year (see subsection (2)).

Step 2 Multiply each amount calculated under step 1 by the proportion of the accounting period that falls within the financial year for which it is calculated.

Step 3 Add together each amount found under step 2.

357UV Museums and galleries exhibition tax credit: Northern Ireland supplementary deduction ignored

For the purpose of determining the available loss of a company under section 1218ZCI of CTA 2009 (amount of surrenderable loss) for any accounting period, any Northern Ireland supplementary deduction made by the company in the period (and any Northern Ireland supplementary deduction made in any previous accounting period) is to be ignored.

Losses of separate exhibition trade

357UW Restriction on use of losses before completion period

- (1) Section 1218ZDA of CTA 2009 (restriction on use of losses before completion period) has effect subject as follows.
- (2) The reference in subsection (1) of that section to a loss made in the separate exhibition trade in an accounting period preceding the completion period is, if the company is a Northern Ireland company in that period, a reference to—
 - (a) any Northern Ireland losses of the trade of the period, or
 - (b) any mainstream losses of the trade of the period;

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and references to losses in subsections (2) and (3) of that section are to be read accordingly.

- (3) Subsection (4) applies if a Northern Ireland company has, in an accounting period preceding the completion period—
 - (a) both Northern Ireland losses of the trade and mainstream profits of the trade, or
 - (b) both mainstream losses of the trade and Northern Ireland profits of the trade.
- (4) The company may make a claim under section 37 (relief for trade losses against total profits) for relief for the losses mentioned in subsection (3)(a) or (b).
- (5) But relief on such a claim is available only—
 - (a) in the case of a claim for relief for Northern Ireland losses, against mainstream profits of the trade of the same period;
 - (b) in the case of a claim for relief for mainstream losses, against Northern Ireland profits of the trade of the same period.
- (6) In this section “the completion period” has the same meaning as in section 1218ZDA of CTA 2009 (see section 1218ZD(2) of that Act).

357UX Use of losses in the completion period

- (1) Section 1218ZDB of CTA 2009 (use of losses in the completion period) has effect subject as follows.
- (2) The reference in subsection (1) of that section to a loss made in the separate exhibition trade is, in relation to a loss made in a period in which the company is a Northern Ireland company, a reference to—
 - (a) any Northern Ireland losses of the trade of the period, or
 - (b) any mainstream losses of the trade of the period;
 and references to losses in subsections (2) and (4) of that section are to be read accordingly.
- (3) The references in subsection (3) of that section to a loss made in the separate exhibition trade in the completion period are, where the company is a Northern Ireland company in the period, references to—
 - (a) any Northern Ireland losses of the trade of the period, or
 - (b) any mainstream losses of the trade of the period;
 and references to losses in subsection (4) of that section are to be read accordingly.
- (4) Subsection (4) of that section has effect, in relation to Northern Ireland losses, as if the reference to an additional deduction under Chapter 3 of Part 15E of CTA 2009 included a reference to a Northern Ireland supplementary deduction under this Chapter.

357UY Terminal losses

- (1) Section 1218ZDC of CTA 2009 (terminal losses) has effect subject as follows.
- (2) Where—
 - (a) a company makes an election under subsection (3) of that section (election to treat terminal loss as loss brought forward of different trade) in relation to all or part of a terminal loss, and

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- (b) the terminal loss is a Northern Ireland loss,
that subsection has effect as if the reference in it to a loss brought forward were to a Northern Ireland loss brought forward.
- (3) Where—
- (a) a company makes a claim under subsection (6) of that section (claim to treat terminal loss as loss brought forward by different company) in relation to part or all of a terminal loss, and
 - (b) the terminal loss is a Northern Ireland loss,
that subsection has effect as if the reference in it to a loss brought forward were to a Northern Ireland loss brought forward.]]

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