



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART IV

PROVISIONS RELATING TO THE SCHEDULE D CHARGE

CHAPTER V

COMPUTATIONAL PROVISIONS

Deductions

74 General rules as to deductions not allowable.

F1

Textual Amendments

F1 S. 74 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 26, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

75 Expenses of management: companies with investment business

F2

Textual Amendments

F2 S. 75 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 27, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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[^{F3}75A Accounting period to which expenses of management are referable

^{F4}

Textual Amendments

F3 S. 75A inserted (with effect in accordance with ss. 42, 43 of the amending Act) by [Finance Act 2004 \(c. 12\), s. 39](#)

F4 S. 75A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 28, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F5}75B Amounts reversing expenses of management deducted: charge to tax

^{F6}

Textual Amendments

F5 S. 75B inserted (22.7.2004) by [Finance Act 2004 \(c. 12\), s. 45\(1\)](#) (with [s. 45\(2\)\(3\)](#))

F6 S. 75B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 29, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F7}76 Expenses of insurance companies

(1) In computing for the purposes of corporation tax the profits for any accounting period of a company—

(a) which carries on life assurance business, and

(b) which is [^{F8}charged to tax in respect of that business under the I minus E basis], [^{F9}sections 1219 to 1223 of CTA 2009 (expenses of management of a company's investment business) do not apply] in computing the profits of that business, but a deduction for expenses payable (the “expenses deduction”) is to be allowed in accordance with the following provisions of this section.

^{F10}

(2) The expenses deduction is to be made from so much of the income and gains of the accounting period referable to basic life assurance and general annuity business as remains after any deduction falling to be made by virtue of [^{F11}section 388 of CTA 2009 (basic rule: deficit set off against income and gains of deficit period)].

(3) For the purposes of this section “expenses payable” means expenses brought into account in line 12, 22 or 25 of Form 40 (the revenue account) in the periodical return of the company for a period of account, but does not include any of the amounts falling within subsection (4), (5) or (6) below.

(4) The amounts falling within this subsection are the following—

(a) reinsurance premiums,

(b) refunds of premiums,

(c) profit commissions and profit participations (however described),

(d) expenses or other amounts payable, to the extent that the company's purpose in incurring the liability to make the payment is not a business or other commercial purpose of the company.

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For the purposes of paragraph (d) above, it is not one of the business or commercial purposes of a company to incur a liability to pay an amount of commission or other expenses which exceeds the amount which it could reasonably be expected to pay if the company were charged to tax under [F12section 35 of CTA 2009 (charge on trade profits)] in respect of its life assurance business.

- (5) The amounts falling within this subsection are any amounts payable in connection with a policy or contract to—
- (a) a policy holder or annuitant under the policy or contract (except where the policy holder is an insurance company),
 - (b) any other person who is entitled to receive benefits under the policy or contract,
 - (c) any person acting on behalf of a person falling within paragraph (a) or (b) above,
 - (d) the personal representatives of a deceased person who fell within paragraphs (a) to (c) above.
- (6) The amounts falling within this subsection are expenses of a capital nature.

But this subsection does not apply in the case of an amount which, by virtue of any provision of the Tax Acts other than this section, falls to be treated for the purposes of this section as expenses payable which fall to be brought into account at Step 1 in subsection (7) below (the reference to Step 1 being express in the provision).

- (7) The amount of the expenses deduction for an accounting period is found by taking the following steps—

Step 1

Find so much of the expenses payable as are—

- (a) attributable to basic life assurance and general annuity business (see subsection (8) below), and
- (b) referable to the accounting period (see subsection (9) below).

Step 2

Reduce each of the amounts found at Step 1 by excluding so much of the amount as is—

- (a) deductible [F13in computing, for corporation tax purposes, the profits of a UK property business],
- (b) deductible by virtue of section 85(2B) of the Finance Act 1989, F14 . . .
- (c) deductible by virtue of [F15section 272 of CTA 2009] in computing income from the letting of rights to work minerals in the United Kingdom, [F16or
- (d) required to be deducted by subsection (9A) below.]

Step 3

Find the amounts (so far as not included at Step 1) which fall to be treated for the purposes of this section as expenses payable for the accounting period by virtue of any of the following provisions—

- section 432AB(3) (Schedule A loss or an overseas property business loss referable to basic life assurance and general annuity business);
- section 437(1A) (relief for income element of new annuities);
- F17
- paragraph 16(1) of Schedule 7 to the Finance Act 1991 (transitional relief for old annuities);

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 section 256(2)(a) of the Capital Allowances Act (capital allowances on plant and machinery used in the management of life assurance business);
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[^{F19}section 391(3)(b) of CTA 2009 (carried forward non-trading deficit on loan relationships);
 section 1080(2) of CTA 2009 (30% additional deduction for qualifying R&D expenditure of company carrying on life assurance business);
 section 1161 of CTA 2009 (150% relief for remediation expenditure on contaminated land owned by company carrying on life assurance business).]

Step 4

Give effect to the provisions specified in Step 3 by adding together—

- (a) so much of the amounts found at Step 1 as remains after making any reductions at Step 2, and
- (b) the amounts found at Step 3,

and then deduct the amount of any reversal (wherever brought into account) of an expense included at Step 1 in a previous period,
 to give Subtotal 1.

Step 5

If the whole or any part of a loss arising to the company in respect of its life assurance business in the accounting period is set off under section 393A or 403(1)

- (a) find the amount (“amount L”) that is equal to so much of the loss as, in the aggregate, is so set off,
 - (b) find the [^{F20} amount (“amount S”)] by which any losses for that period under section [^{F21}436A] fall to be reduced under section 434A(2)(b),
 - (c) from amount L deduct amount S, to give the adjusted loss deduction,
- then reduce Subtotal 1 by deducting from it the adjusted loss deduction,
 to give Subtotal 2.

Step 6

Give effect to subsection (6) of section 86 of the Finance Act 1989 (spreading of acquisition expenses) by—

- (a) finding the amount that is equal to six-sevenths of the adjusted amount of the acquisition expenses (within the meaning of that section) for the accounting period, and
- (b) deducting that amount from Subtotal 2,

to give Subtotal 3.

Step 7

Add together the following amounts—

- (a) Subtotal 3, and
- (b) any amounts carried forward to the accounting period under subsection (12) or (13) below (unrelieved excesses from earlier accounting periods),

to give Subtotal 4.

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Step 8

Give effect to subsections (8) and (9) of section 86 of the Finance Act 1989 (fraction of adjusted amount of acquisition expenses for earlier accounting periods) by adding together—

- (a) Subtotal 4, and
- (b) any amounts which are to be relieved under this section by virtue of those subsections,

to give the [^{F22}expenses] deduction.

Step 9

^{F23}

Step 10: the amount of the expenses deduction

^{F23}

- (8) For the purposes of Step 1, the expenses that are attributable to basic life assurance and general annuity business are the expenses which are attributable to that business in accordance with proper internal accounting practice.

In this subsection “proper internal accounting practice” means the practice of insurance companies in allocating all the expenses of the company to particular categories of business in accordance with any applicable requirements of—

- (a) generally accepted accounting practice,^{F24} . . .
- (b) the Prudential Sourcebook (Insurers)[^{F25}, or
- (c) the [^{F26}Insurance Prudential Sourcebook].]

- (9) The following rules have effect for determining for the purposes of Step 1 the expenses that are referable to an accounting period.

Rule A

Where a period of account coincides with an accounting period, the expenses brought into account for the period of account are the expenses referable to the accounting period.

Rule B

Where—

- (a) two or more accounting periods fall within the same period of account, and
- (b) that period of account is longer than 12 months,

section 834(4) (apportionment on time basis) is to apply.

Rule C

In any other case where two or more accounting periods fall within the same period of account, the expenses referable to any of those accounting periods are the expenses that would have been referable to that accounting period if—

- (a) the accounting period had coincided with a period of account, and
- (b) a separate periodical return had been made for that period of account,

and section 834(4) (apportionment on time basis) is not to apply.

Rule D

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Rules A to C are subject to any provision of the Corporation Tax Acts which provides for an amount to be treated as expenses payable for, or referable to, a particular period.

[^{F27}(9A) The amount required to be deducted at paragraph (d) of Step 2 is the total of the amounts (if any) arrived at under subsection (9C) below in relation to the fronting reinsurance contracts (if any) made by the company.

(9B) A fronting reinsurance contract is a contract of reinsurance forming part of a fronting reinsurance arrangement; and a fronting reinsurance arrangement is an arrangement under which the company—

- (a) enters into a contract constituting term assurance with a person, and
- (b) reinsures all, or substantially all, of the liabilities under that contract with a reinsurer which—
 - (i) does not meet the BLAGAB group reinsurance conditions in paragraph 1(3) of Schedule 19ABA to this Act, and
 - (ii) is connected with that person or with a person entitled to commission from the company in respect of the contract.

(9C) The amount referred to in subsection (9A) above in relation to any fronting reinsurance contract made by the company is the relevant reinsurance fraction of so much of the amount found at Step 1 as relates to policies and contracts which are relevant reinsured policies and contracts in relation to the fronting reinsurance contract.

(9D) For the purposes of subsection (9C) above “the relevant reinsurance fraction” is—

$$\frac{RL}{TL}$$

where—

RL is so much of TL as is reinsured under the fronting reinsurance contract, and

TL is the amount of the total liabilities under the relevant reinsured policies and contracts at the end of the accounting period.

(9E) For the purposes of subsections (9B) and (9C) above policies and contracts are relevant reinsured policies and contracts in relation to a fronting reinsurance contract if—

- (a) they are attributable to the company's basic life assurance and general annuity business, and
- (b) any or all of the risks under them are reinsured under the fronting reinsurance contract.]

(10) ^{F28}

(11) ^{F28}

(12) Where for any accounting period—

- (a) the amount of the expenses deduction (see [^{F29}Step 8]), exceeds
- (b) the amount from which that deduction is to be made (see subsection (2) above),

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the excess is to be carried forward to the next accounting period [^{F30} for which the company is charged to tax in respect of its life assurance business under the I minus E basis] and brought into account for that period in accordance with Step 7.

[^{F31}(13) Where for any accounting period excess adjusted Case I profits are charged to tax under section 85A of the Finance Act 1989, an amount equal to the profits is to be carried forward to the next accounting period for which the company is charged to tax in respect of its life assurance business under the I minus E basis and brought into account for that period in accordance with Step 7.]

(14) ^{F32}

(15) In this section—

^{F33}

“expenses payable” has the meaning given by subsection (3) above;

^{F34}

Textual Amendments

- F7** S. 76 substituted (with effect in accordance with ss. 42, 44 of the amending Act) by [Finance Act 2004 \(c. 12\), s. 40](#)
- F8** Words in s. 76(1)(b) substituted (with effect in accordance with s. 39(2) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 8 para. 2\(2\)](#) (with [Sch. 8 Pt. 2](#))
- F9** Words in s. 76(1) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 30\(2\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F10** Words in s. 76(1) repealed (with effect in accordance with s. 38(2) of the repealing Act) by [Finance Act 2007 \(c. 11\), Sch. 7 para. 3\(2\), Sch. 27 Pt. 2\(7\)](#), Note (with [Sch. 7 Pt. 2](#))
- F11** Words in s. 76(2) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 30\(3\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F12** Words in s. 76(4) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 30\(4\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F13** Words in s. 76(7) Step 2 para. (a) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 30\(5\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F14** Word in s. 76(7) Step 2 omitted (with effect in accordance with [Sch. 17 para. 5\(4\)-\(7\)](#) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\), Sch. 17 para. 5\(2\)](#)
- F15** Words in s. 76(7) Step 2 para. (c) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 30\(5\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F16** S. 76(7) Step 2 para. (d) and preceding word inserted (with effect in accordance with [Sch. 17 para. 5\(4\)-\(7\)](#) of the amending Act) by [Finance Act 2008 \(c. 9\), Sch. 17 para. 5\(2\)](#)
- F17** S. 76(7): entries in Step 3 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\), Sch. 10 para. 16\(3\)\(a\), Sch. 27 Pt. 2\(10\)](#), Note
- F18** S. 76(7): entries in Step 3 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 30\(6\)\(a\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F19** S. 76(7): entries in Step 3 inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 30\(6\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F20** Words in s. 76(7) Step 5 substituted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 7 para. 3\(3\)\(a\)](#) (with [Sch. 7 Pt. 2](#))
- F21** Words in s. 76(7) Step 5 substituted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 7 para. 3\(3\)\(b\)](#) (with [Sch. 7 Pt. 2](#))
- F22** Word in s. 76(7) Step 8 substituted (with effect in accordance with s. 39(2) of the amending Act) by [Finance Act 2007 \(c. 11\), Sch. 8 para. 2\(3\)\(a\)](#) (with [Sch. 8 Pt. 2](#))
- F23** S. 76(7) Steps 9, 10 repealed (with effect in accordance with s. 39(2) of the repealing Act) by [Finance Act 2007 \(c. 11\), Sch. 8 para. 2\(3\)\(b\), Sch. 27 Pt. 2\(8\)](#), Note (with [Sch. 8 Pt. 2](#))

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- F24** Word in s. 76(8) repealed (with effect in accordance with Sch. 11 Pt. 2(10) Note 1 of the repealing Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 11 Pt. 2(10)**
- F25** Words in s. 76(8) inserted (with effect in accordance with Sch. 9 para. 1(3) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 9 para. 1(2)**
- F26** Words in s. 76(8) substituted (31.12.2006 with effect in accordance with art. 1(2) of the amending S.I.) by The Insurance Companies (Corporation Tax Acts) (Miscellaneous Amendments) Order 2006 (S.I. 2006/3270), **arts. 1(1), 3**
- F27** S. 76(9A)-(9E) inserted (with effect in accordance with Sch. 17 para. 5(4)-(7) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 17 para. 5(3)**
- F28** S. 76(10)(11) repealed (with effect in accordance with s. 39(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 8 para. 2(4), **Sch. 27 Pt. 2(8)**, Note (with Sch. 8 Pt. 2)
- F29** Words in s. 76(12)(a) substituted (with effect in accordance with s. 39(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 8 para. 2(5)(a)** (with Sch. 8 Pt. 2)
- F30** Words in s. 76(12) inserted (with effect in accordance with s. 39(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 8 para. 2(5)(b)** (with Sch. 8 Pt. 2)
- F31** S. 76(13) substituted (with effect in accordance with s. 39(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 8 para. 2(6)** (with Sch. 8 Pt. 2)
- F32** S. 76(14) repealed (with effect in accordance with s. 38(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 7 para. 3(4), **Sch. 27 Pt. 2(7)**, Note (with Sch. 7 Pt. 2)
- F33** S. 76(15): definition of "capital redemption business" repealed (with effect in accordance with s. 38(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 7 para. 3(5), **Sch. 27 Pt. 2(7)**, Note (with Sch. 7 Pt. 2)
- F34** Words in s. 76(15) repealed (with effect in accordance with Sch. 10 para. 17(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 10 para. 14(2)(b), **Sch. 27 Pt. 2(10)**, Note

Modifications etc. (not altering text)

- C1** S. 76 modified (12.8.2005 with effect in accordance with reg. 1(2) of the modifying S.I.) by The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 2005 (S.I. 2005/2014), **regs. 1(1), 5** (as amended: (14.8.2007 with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2007/2134, **regs. 1(1), 5**; (12.8.2008 with effect in accordance with reg. 1(2) of the amending S.I.) by S.I. 2008/1937, **regs. 1(1), 3**)
- C2** S. 76 modified (6.4.2006) by Finance Act 2004 (c. 12), **ss. 196(4), 199(2)(c)(5), 246(3)(b), 284(1)** (with Sch. 36)
- C3** S. 76 modified by Capital Allowances Act 2001 (c. 2), **Sch. A1 para. 22(2)** (as inserted (with effect in accordance with Sch. 25 para. 9 of the 2008 amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 5**)
- C4** S. 76 modified by The Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964), **reg. 69Z24A(4)(c)** (as inserted (1.1.2009 with effect in accordance with reg. 1(2)(3) of the amending S.I.) by The Authorised Investment Funds (Tax) (Amendment No. 3) Regulations 2008 (S.I. 2008/3159), **regs. 1(1), 27**)
- C5** S. 76 modified (1.4.2009 with effect in accordance with s. 1329(1) of the modifying Act) by Corporation Tax Act 2009 (c. 4), **s. 1168(2)** (with Sch. 2 Pts. 1, 2)
- C6** S. 76(7) modified (6.4.2006) by Finance Act 2004 (c. 12), **ss. 200(c), 246(2)(c), 284(1)** (with Sch. 36)

F³⁵ Payments for restrictive undertakings

Textual Amendments

- F35** S. 76ZA and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 31** (with Sch. 2 Pts. 1, 2)

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76ZA Payments for restrictive undertakings

- (1) This section applies if a payment—
 - (a) is treated as earnings of an employee by virtue of section 225 of ITEPA 2003 (payments for restrictive undertakings), and
 - (b) is made, or treated as made for the purposes of section 226 of that Act (valuable consideration given for restrictive undertakings), by a company in relation to which section 76 applies.
- (2) The payment is treated as expenses payable which fall to be brought into account at Step 1 in section 76(7), so far as it otherwise would not be.]

[^{F36}Seconded employees

Textual Amendments

F36 S. 76ZB and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 32 (with Sch. 2 Pts. 1, 2)

76ZB Employees seconded to charities and educational establishments

- (1) This section applies if a company to which section 76 applies makes the services of a person employed for the purposes of the company's life assurance business available to—
 - (a) a charity, or
 - (b) an educational establishment,on a basis that is stated and intended to be temporary.
- (2) Expenses of the employer that are attributable to the employee's employment during the period of the secondment are treated as expenses payable which fall to be brought into account at Step 1 in section 76(7).
- (3) In this section—

“educational establishment” has the same meaning as in section 70 of CTA 2009, and

“the period of the secondment” means the period for which the employee's services are made available to the charity or educational establishment.]

[^{F37}Counselling and retraining expenses

Textual Amendments

F37 S. 76ZC and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 33 (with Sch. 2 Pts. 1, 2)

76ZC Counselling and other outplacement services

- (1) This section applies if—
 - (a) a company carrying on life assurance business (“the employer”) incurs counselling expenses,

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- (b) the expenses are incurred in relation to a person (“the employee”) who holds or has held an office or employment under the employer, and
 - (c) the relevant conditions are met.
- (2) The expenses are brought into account under section 76 as expenses payable (so far as they otherwise would not be).
- (3) In this section “counselling expenses” means expenses incurred—
- (a) in the provision of services to the employee in connection with the cessation of the office or employment,
 - (b) in the payment or reimbursement of fees for such provision, or
 - (c) in the payment or reimbursement of travelling expenses in connection with such provision.
- (4) In this section “the relevant conditions” means—
- (a) conditions A to D for the purposes of section 310 of ITEPA 2003 (employment income exemptions: counselling and other outplacement services), and
 - (b) in the case of travel expenses, condition E for those purposes.

[^{F38}76ZD] **Retraining courses**

- (1) This section applies if—
- (a) a company carrying on life assurance business (“the employer”) incurs training course expenses,
 - (b) they are incurred in relation to a person (“the employee”) who holds or has held an office or employment under the employer, and
 - (c) the relevant conditions are met.
- (2) The expenses are brought into account under section 76 as expenses payable (so far as they otherwise would not be).
- (3) In this section—
- “retraining course expenses” means expenses incurred in the payment or reimbursement of retraining course expenses within the meaning given by section 311(2) of ITEPA 2003, and
- “the relevant conditions” means—
- (a) the conditions in subsections (3) and (4) of section 311 of ITEPA 2003 (employment income exemptions: retraining courses), and
 - (b) in the case of travel expenses, the conditions in subsection (5) of that section.]

Textual Amendments

F38 S. 76ZD inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 34 (with Sch. 2 Pts. 1, 2)

[^{F39}76ZE] **Retraining courses: recovery of tax**

- (1) This section applies if—
- (a) an employer's liability to corporation tax for an accounting period is determined on the assumption that it is entitled by virtue of section 76ZD to

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- bring an amount into account in determining the amount of a deduction to be made under section 76, and
- (b) without section 76ZD the employer would not have been so entitled.
- (2) If, subsequently—
- (a) the condition in section 311(4)(a) of ITEPA 2003 is not met because of the employee's failure to begin the course within the period of one year after ceasing to be employed, or
- (b) the condition in section 311(4)(b) of ITEPA 2003 is not met because of the employee's continued employment or re-employment,
- an assessment of an amount or further amount of corporation tax due as a result of the condition not being met may be made under paragraph 41 of Schedule 18 to FA 1998.
- (3) Such an assessment must be made before the end of the period of 6 years immediately following the end of the accounting period in which the failure to meet the condition occurred.
- (4) If subsection (2) applies, the employer must give an officer of Revenue and Customs a notice containing particulars of—
- (a) the employee's failure to begin the course,
- (b) the employee's continued employment, or
- (c) the employee's re-employment,
- within 60 days of coming to know of it.
- (5) If an officer of Revenue and Customs has reason to believe that the employer has failed to give such a notice, the officer may by notice require the employer to provide such information as the officer may reasonably require for the purposes of this section about—
- (a) the failure to begin the course,
- (b) the continued employment, or
- (c) the re-employment.
- (6) A notice under subsection (5) may specify a time (not less than 60 days) within which the required information must be provided.]

Textual Amendments

F39 S. 76ZE inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 35** (with Sch. 2 Pts. 1, 2)

Modifications etc. (not altering text)

C7 S. 76ZE applied (with modifications) (1.4.2009 with effect in accordance with s. 1329(1) of the affecting Act) by Corporation Tax Act 2009 (c. 4), **Sch. 2 para. 139(3)(4)** (with Sch. 2 Pts. 1, 2)

[^{F40}Redundancy payments etc

Textual Amendments

F40 S. 76ZF and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 36** (with Sch. 2 Pts. 1, 2)

Status: Point in time view as at 01/04/2009.

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76ZF Redundancy payments and approved contractual payments

- (1) Sections 76ZG to 76ZI apply if—
 - (a) a company to which section 76 applies (“the employer”) makes a redundancy payment or an approved contractual payment to another person (“the employee”), and
 - (b) the payment is in respect of the employee's employment wholly in the employer's life assurance business or partly in the employer's life assurance business and partly in one or more other capacities.
- (2) For the purposes of this section and sections 76ZG to 76ZH “redundancy payment” means a redundancy payment payable under—
 - (a) Part 11 of the Employment Rights Act 1996, or
 - (b) Part 12 of the Employment Rights (Northern Ireland) Order 1996.
- (3) For the purposes of this section and those sections—

“contractual payment” means a payment which, under an agreement, an employer is liable to make to an employee on the termination of the employee's contract of employment, and

a contractual payment is “approved” if, in respect of that agreement, an order is in force under—

 - (a) section 157 of the Employment Rights Act 1996, or
 - (b) Article 192 of the Employment Rights (Northern Ireland) Order 1996.

[^{F41}76ZG Payments in respect of employment wholly in employer's business

- (1) This section applies if the payment is in respect of the employee's employment wholly in the employer's life assurance business.
- (2) The payment is treated as expenses payable which fall to be brought into account at Step 1 in section 76(7), so far as it otherwise would not be.
- (3) The amount brought into account by virtue of this section for an approved contractual payment must not exceed the amount which would have been due to the employee if a redundancy payment had been payable.
- (4) If the payment is referable to an accounting period beginning after the business has permanently ceased to be carried on, it is treated as referable to the last accounting period in which the business was carried on.]

Textual Amendments

- F41** S. 76ZG inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 37** (with Sch. 2 Pts. 1, 2)

[^{F42}76ZH Payments in respect of employment in more than one capacity

- (1) This section applies if the payment is in respect of the employee's employment with the employer—
 - (a) partly in the employer's life assurance business, and
 - (b) partly in one or more other capacities.

Status: Point in time view as at 01/04/2009.

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- (2) The amount of the redundancy payment, or the amount which would have been due if a redundancy payment had been payable, is to be apportioned on a just and reasonable basis between—
 - (a) the employment in the life assurance business, and
 - (b) the employment in the other capacities.
- (3) The part of the payment apportioned to the employment in the life assurance business is treated as a payment in respect of the employee's employment wholly in the life assurance business for the purposes of section 76ZG.]

Textual Amendments

F42 S. 76ZH inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 38** (with Sch. 2 Pts. 1, 2)

[^{F43}76ZI Additional payments

- (1) This section applies if the employer's business, or part of it, ceases (permanently) to be carried on and the employer makes a payment to the employee in addition to—
 - (a) the redundancy payment, or
 - (b) if an approved contractual payment is made, the amount that would have been due if a redundancy payment had been payable.
- (2) If—
 - (a) the additional payment would not otherwise be regarded as expenses payable for the purposes of section 76, but
 - (b) that is only because the business, or the part of the business, has ceased to be carried on,the additional payment is regarded as expenses payable for the purposes of section 76.
- (3) So far as the additional payment would, apart from this subsection, be regarded as expenses payable for the purposes of Step 5 in subsection (7) of section 76, it is not to be so regarded for the purposes of that subsection (or of subsection (2) above so far as relating to section 76).
- (4) The amount treated under this section as expenses payable for the purposes of section 76 is limited to 3 times the amount of—
 - (a) the redundancy payment, or
 - (b) if an approved contractual payment is made, the amount that would have been due if a redundancy payment had been payable.
- (5) If the payment is referable to an accounting period beginning after the business or the part of the business has ceased to be carried on, it is treated as referable to the last accounting period in which the business, or the part concerned, was carried on.]

Textual Amendments

F43 S. 76ZI inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 39** (with Sch. 2 Pts. 1, 2)

Status: Point in time view as at 01/04/2009.

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[^{F44}76ZJ Payments by the Government]

- (1) This section applies if—
 - (a) a redundancy payment or an approved contractual payment is payable by a company to which section 76 applies (“the employer”), and
 - (b) a payment to which subsection (2) applies is made in respect of the payment.
- (2) This subsection applies to—
 - (a) payments made by the Secretary of State under section 167 of the Employment Rights Act 1996, and
 - (b) payments made by the Department for Employment and Learning under Article 202 of the Employment Rights (Northern Ireland) Order 1996.
- (3) So far as the employer reimburses the Secretary of State or Department for the payment, sections 76ZG to 76ZI apply as if the payment were—
 - (a) a redundancy payment, or
 - (b) an approved contractual payment,
made by the employer.]

Textual Amendments

F44 S. 76ZJ inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 40** (with Sch. 2 Pts. 1, 2)

[^{F45}Contributions to local enterprise organisations or urban regeneration companies

Textual Amendments

F45 S. 76ZK and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 41** (with Sch. 2 Pts. 1, 2)

76ZK Contributions to local enterprise organisations or urban regeneration companies

- (1) This section applies if a company to which section 76 applies (“the contributor”) incurs expenses in making a contribution (whether in cash or in kind)—
 - (a) to a local enterprise organisation, or
 - (b) to an urban regeneration company.
- (2) The expenses are treated for the purposes of section 76 as expenses payable which fall to be brought into account at Step 1 in section 76(7).
- (3) But if, in connection with the making of the contribution, the contributor or a connected person—
 - (a) receives a disqualifying benefit of any kind, or
 - (b) is entitled to receive such a benefit,
the amount treated in accordance with subsection (2) is restricted to the amount of the expenses less the value of the benefit.
- (4) For this purpose it does not matter whether a person receives, or is entitled to receive, the benefit—

Status: Point in time view as at 01/04/2009.

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- (a) from the local enterprise organisation or urban regeneration company concerned, or
 - (b) from anyone else.
- (5) Subsection (6) applies if—
- (a) an amount has been brought into account in accordance with subsection (2), and
 - (b) the contributor or a connected person receives a disqualifying benefit that is in any way attributable to the contribution.
- (6) The contributor is to be treated as receiving, when the benefit is received, an amount—
- (a) which is equal to the value of the benefit (so far as not brought into account in determining the amount of the deduction), and
 - (b) to which the charge to corporation tax on income applies.
- (7) In this section—
- “disqualifying benefit” means a benefit the expenses of obtaining which, if incurred by the contributor directly in a transaction at arm's length, would not be expenses payable for the purposes of section 76,
 - “local enterprise organisation” has the meaning given by section 83 of CTA 2009,
 - “urban regeneration company” has the meaning given by section 86 of CTA 2009.
- (8) Section 839 (“connected person”) applies for the purposes of subsections (3) and (5).]

[^{F46}Unpaid remuneration

Textual Amendments

F46 S. 76ZL and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 42](#) (with [Sch. 2 Pts. 1, 2](#))

76ZL Unpaid remuneration

- (1) This section applies if—
- (a) an amount is charged in respect of employees' remuneration in the accounts for a period of a company to which section 76 applies,
 - (b) the amount would apart from this section be brought into account under section 76 as expenses payable, and
 - (c) the remuneration is not paid before the end of the period of 9 months immediately following the end of the period of account.
- (2) If the remuneration is paid after the end of that period of 9 months, the amount is brought into account for the period of account in which it is paid.
- (3) But—
- (a) subsection (2) is subject to section 86 of FA 1989 (spreading of relief for acquisition expenses), and

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- (b) in interpreting that section the remuneration is treated as expenses payable which fall to be included at Step 1 in section 76(7) for the period of account in which the remuneration is paid.
- (4) The amount is not brought into account under section 76 as expenses payable if it is not paid.

[^{F47}76ZM Unpaid remuneration: supplementary]

- (1) For the purposes of section 76ZL an amount charged in the accounts in respect of employees' remuneration includes an amount for which provision is made in the accounts with a view to its becoming employees' remuneration.
- (2) For the purposes of section 76ZL it does not matter whether an amount is charged for—
 - (a) particular employments, or
 - (b) employments generally.
- (3) If the profits of the company are calculated before the end of the 9 month period mentioned in section 76ZL(1)(c)—
 - (a) it must be assumed, in making the calculation, that any remuneration which is unpaid when the calculation is made will not be paid before the end of that period, but
 - (b) if the remuneration is subsequently paid before the end of that period, nothing in this subsection prevents the calculation being revised and any tax return being amended accordingly.
- (4) For the purposes of this section and section 76ZL remuneration is paid when it—
 - (a) is treated as received by an employee for the purposes of ITEPA 2003 by section 18 or 19 of that Act (receipt of money and non-money earnings), or
 - (b) would be so treated if it were not exempt income.
- (5) In this section and section 76ZL—
 - “employee” includes an office-holder and “employment” therefore includes an office, and
 - “remuneration” means an amount which is or is treated as earnings for the purposes of Parts 2 to 7 of ITEPA 2003.]

Textual Amendments

F47 S. 76ZM inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 43** (with Sch. 2 Pts. 1, 2)

[^{F48}Car or motor cycle hire]

Textual Amendments

F48 S. 76ZN and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 44** (with Sch. 2 Pts. 1, 2)

Status: Point in time view as at 01/04/2009.

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[^{F49}76ZNCar or motor cycle hire

- (1) Subsection (2) applies if—
 - (a) in calculating the corporation tax to which a company is liable for an accounting period, an amount representing expenses incurred on the hiring of a car or motor cycle can be brought into account under section 76 as expenses payable,
 - (b) the car or motor cycle is not a qualifying hire car or motor cycle, and
 - (c) the retail price of the car or motor cycle when new exceeds £12,000.
- (2) The amount that would otherwise be capable of being brought into account as expenses payable is reduced by multiplying the amount by the fraction—

$$\frac{\pounds 12,000 + RP}{2 \times RP}$$

where RP is the retail price of the car or motor cycle when new.

- (3) Subsection (4) applies if an amount is reduced as a result of subsection (2), or a corresponding provision, and—
 - (a) subsequently—
 - (i) there is a rebate (however described) of the hire charges, or
 - (ii) a debt in respect of any of the hire charges is released otherwise than as part of a statutory insolvency agreement, and
 - (b) an amount is brought into account in respect of the rebate or release.
- (4) For the purposes of subsection (3)(b) an amount is brought into account in respect of a rebate of hire charges or the release of a debt if—
 - (a) the amount of a reversal representing the rebate or release falls to be deducted under Step 4 in section 76(7), or
 - (b) (in the case of a rebate of hire charges) an amount representing the rebate is chargeable under section 85(1) of the Finance Act 1989 (c. 26).
- (5) The amount that would otherwise be deductible as mentioned in subsection (4)(a) or chargeable as mentioned in subsection (4)(b) is reduced by multiplying it by the fraction set out in subsection (2).
- (6) In this section “corresponding provision” means—
 - (a) section 56(2) of CTA 2009 (car or motor cycle hire: trade profits and property income),
 - (b) section 1251(2) of CTA 2009 (car or motor cycle hire: companies with investment business), and
 - (c) section 48(2) of ITTOIA 2005 (car or motor cycle hire: trade profits and property income).
- (7) The power under section 74(4) of CAA 2001 to increase or further increase the sums of money specified in Chapter 8 of Part 2 of CAA 2001 includes the power to increase or further increase the sum of money specified in subsection (1)(c) or (2).
- (8) In this section “car or motor cycle” and “qualifying hire car or motor cycle” have the meanings given by section 57 of CTA 2009.]

Status: Point in time view as at 01/04/2009.

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Textual Amendments

F49 S. 76ZN and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), **Sch. 1 para. 44** (with Sch. 2 Pts. 1, 2)

[^{F50}76ZO Hiring cars (but not motor cycles) with low CO₂ emissions before 1 April 2013

(1) Section 76ZN does not apply to expenses incurred on the hiring of a car with low CO₂ emissions, or an electrically-propelled car, if—

- (a) the car was first registered on or after 17 April 2002, and
- (b) the period of hire begins before 1 April 2013 under a contract entered into before that date.

(2) For this purpose—

“car with low CO₂ emissions” has the meaning given by section 45D of CAA 2001, and

“electrically-propelled car” has the meaning given by that section.]

Textual Amendments

F50 S. 76ZO inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), **Sch. 1 para. 45** (with Sch. 2 Pts. 1, 2)

[^{F51}76A Levies and repayments under the Financial Services and Markets Act 2000.

^{F52}]

Textual Amendments

F51 Ss. 76A, 76B inserted (1.12.2001) by [Financial Services and Markets Act 2000 \(c. 8\)](#), **ss. 411(2)**, 431(2); S.I. 2001/3538, **art. 2(1)**

F52 S. 76A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 46, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F53}76B Levies and repayments under the Financial Services and Markets Act 2000: investment companies.

^{F54}]

Textual Amendments

F53 Ss. 76A, 76B inserted (1.12.2001) by [Financial Services and Markets Act 2000 \(c. 8\)](#), **ss. 411(2)**, 431(2); S.I. 2001/3538, **art. 2(1)**

F54 S. 76B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 47, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Status: Point in time view as at 01/04/2009.

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77 Incidental costs of obtaining loan finance.

F55

Textual Amendments

F55 S. 77 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 47, Sch. 3](#) (with Sch. 2)

78 Discounted bills of exchange.

F56

Textual Amendments

F56 S. 78 repealed with saving (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\), Sch. 14 para. 10, Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

79 Contributions to local enterprise agencies.

F57

Textual Amendments

F57 S. 79 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 48, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

[^{F58}**79A Contributions to training and enterprise councils and local enterprise companies.**

F59]

Textual Amendments

F58 S. 79A inserted by [Finance Act 1990 \(c. 29\), s.76](#)
F59 S. 79A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 49, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

[^{F60}**79B Contributions to urban regeneration companies**

F61]

Textual Amendments

F60 S. 79B inserted (10.7.2003) by [Finance Act 2003 \(c. 14\), s. 180\(1\)](#)
F61 S. 79B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 50, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

Status: Point in time view as at 01/04/2009.

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80 Expenses connected with foreign trades etc.

F62

Textual Amendments

F62 S. 80 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 51, Sch. 3](#) (with [Sch. 2](#))

81 Travel between trades etc.

F63

Textual Amendments

F63 S. 81 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 52, Sch. 3](#) (with [Sch. 2](#))

82 Interest paid to non-residents.

F64

Textual Amendments

F64 S. 82 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 53, Sch. 3](#) (with [Sch. 2](#))

[^{F65}82A Expenditure on research and development.

F66]

Textual Amendments

F65 Ss. 82A, 82B inserted (with effect in accordance with s. 68(2) of the amending Act) by [Finance Act 2000 \(c. 17\), Sch. 19 para. 5\(1\)](#) (with [Sch. 19 para. 5\(2\)\(3\)](#))

F66 S. 82A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 51, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F67}82B Payments to research associations, universities etc.

F68]

Textual Amendments

F67 Ss. 82A, 82B inserted (with effect in accordance with s. 68(2) of the amending Act) by [Finance Act 2000 \(c. 17\), Sch. 19 para. 5\(1\)](#) (with [Sch. 19 para. 5\(2\)\(3\)](#))

F68 S. 82B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 52, Sch. 3 Pt. 1](#) (with [Sch. 2 Pt. 12](#))

Status: Point in time view as at 01/04/2009.

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83 Patent fees etc. and expenses.

F69

Textual Amendments

F69 S. 83 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 53, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F70}83A Gifts in kind to charities etc.

F71

Textual Amendments

F70 S. 83A inserted (with effect in accordance with s. 55(3) of the amending Act) by Finance Act 1999 (c. 16), s. 55(1)

F71 S. 83A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 54, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

84 Gifts to educational establishments.

F72

Textual Amendments

F72 S. 84 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 55, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F73}84A Costs of establishing share option or profit sharing schemes: relief.

(1) Subsection (2) below applies where—

- (a) a company incurs expenditure on establishing a share option scheme which the Board approve and under which no employee or director obtains rights before such approval is given, or
- (b) a company incurs expenditure on establishing a profit sharing scheme which the Board approve and under which the trustees acquire no shares before such approval is given.

(2) In such a case the expenditure—

- (a) shall be deducted in computing for the purposes of ^{F74} . . . [^{F75} Part 2 of ITTOIA 2005] the [^{F76} profits] of a trade carried on by the company, ^{F77} . . .

[^{F78}(b) ^{F77}

- (c) ^{F79}

(3) In a case where—

- (a) subsection (2) above applies, and
- (b) the approval is given after the end of the period of nine months beginning with the day following the end of the period of account in which the expenditure is incurred,

Status: Point in time view as at 01/04/2009.

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[^{F80} for the purpose of applying subsection (2) above the expenditure shall be treated in accordance with subsection (3ZA) below.]

[Where this subsection applies—

- ^{F81}(3ZA) (a) in applying subsection (2)(a) above, the expenditure shall be treated as incurred in the period of account in which the approval is given (and not the period of account mentioned in subsection (3)(b) above),
- (b) ^{F82}

[In this section, “share option scheme” means—

- ^{F83}(3A) (a) an SAYE option scheme within the meaning of the SAYE code (see section 516(4) of ITEPA 2003 (approved SAYE option schemes)), or
- (b) a CSOP scheme within the meaning of the CSOP code (see section 521(4) of that Act (approved CSOP schemes)).]

(4) References in this section to approving are to approving under Schedule 9 [^{F84} to this Act or under Schedule 3 or 4 to ITEPA 2003 (approved SAYE option schemes and approved CSOP schemes)].

(5) This section applies where the expenditure is incurred on or after 1st April 1991.]

Textual Amendments

- F73** S. 84A inserted by [Finance Act 1991 \(c. 31\), s. 42](#)
- F74** Words in s. 84A(2)(a) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 56\(2\)\(a\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F75** Words in s. 84A(2)(a) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 59](#) (with [Sch. 2](#))
- F76** Words in s. 84A(2)(a) substituted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 46\(3\)\(a\)\(b\), Sch. 7 para. 1](#)
- F77** S. 84A(2)(b) and preceding word repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 56\(2\)\(b\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F78** S. 84A(2)(b)(c) substituted for s. 84A(2)(b) (28.9.2004 with effect in accordance with art. 1(2) of the amending Order) by The Finance Act 2004, Sections 38 to 40 and 45 and Schedule 6 (Consequential Amendment of Enactments) Order 2004 ([S.I. 2004/2310](#)), art. 1(2), Sch. para. 4(2)
- F79** S. 84A(2)(c) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 56\(2\)\(c\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F80** Words in S. 84A(3) substituted (28.9.2004 with effect in accordance with art. 1(2) of the amending Order) by The Finance Act 2004, Sections 38 to 40 and 45 and Schedule 6 (Consequential Amendment of Enactments) Order 2004 ([S.I. 2004/2310](#)), art. 1(2), Sch. para. 4(3)
- F81** S. 84A(3ZA) inserted (28.9.2004 with effect in accordance with art. 1(2) of the amending Order) by The Finance Act 2004, Sections 38 to 40 and 45 and Schedule 6 (Consequential Amendment of Enactments) Order 2004 ([S.I. 2004/2310](#)), art. 1(2), Sch. para. 4(4)
- F82** S. 84A(3ZA)(b) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 56\(3\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F83** S. 84A(3A) inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 11\(2\)](#) (with [Sch. 7](#))
- F84** Words in s. 84A(4) inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 9\), s. 723, Sch. 6 para. 11\(2\)](#) (with [Sch. 7 para. 92](#))

Status: Point in time view as at 01/04/2009.

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85 Payments to trustees of approved profit sharing schemes.

F85

Textual Amendments

F85 S. 85 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 57, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F86}85A Costs of establishing employee share ownership trusts: relief.

F87]

Textual Amendments

F86 S. 85A inserted by Finance Act 1991 (c. 31), s. 43

F87 S. 85A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 58, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F88}85B Approved share incentive plans

F89]

Textual Amendments

F88 S. 85B inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **Sch. 6 para. 12** (with Sch. 7)

F89 S. 85B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 59, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

86 Employees seconded to charities and educational establishments.

F90

Textual Amendments

F90 S. 86 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 60, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F91}86A Charitable donations: contributions to agent's expenses.

F92]

Textual Amendments

F91 S. 86A inserted (27.7.1993) by Finance Act 1993 (c. 34), s. 69

F92 S. 86A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 61, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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87 Taxable premiums etc.

F93

Textual Amendments
F93 S. 87 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 62, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F94}87A Section 87(2) and (3) and reductions in receipts under ITTOIA 2005

F95]

Textual Amendments
F94 S. 87A inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 63** (with Sch. 2)
F95 S. 87A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 62, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

88 Payments to Export Credit Guarantee Department.

F96

Textual Amendments
F96 S. 88 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 63, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F97}88A Debts of overseas governments etc.

F98]

Textual Amendments
F97 Ss. 88A-88C inserted by Finance Act 1990 (c. 29), s. 74
F98 Ss. 88A-88C repealed (with effect in accordance with s. 105(1) of the repealing Act) by Finance Act 1996 (c. 8), **Sch. 41 Pt. 5(3)**, Note (with Sch. 15)

[^{F99}88B Section 88A debts: restriction on deductions under section 74(j).

F100]

Textual Amendments
F99 Ss. 88A-88C inserted by Finance Act 1990 (c. 29), s. 74
F100 Ss. 88A-88C repealed (with effect in accordance with s. 105(1) of the repealing Act) by Finance Act 1996 (c. 8), **Sch. 41 Pt. 5(3)**, Note (with Sch. 15)

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[^{F101}**88C Section 88A debts: restriction on other deductions.**

^{F102}]

Textual Amendments

F101 Ss. 88A-88C inserted by [Finance Act 1990 \(c. 29\)](#), [s. 74](#)

F102 Ss. 88A-88C repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

[^{F103}**88D Restriction of deductions in respect of certain debts**

^{F104}]

Textual Amendments

F103 S. 88D inserted (with effect in accordance with s. 80(3)(4) of the amending Act) by [Finance Act 2005 \(c. 7\)](#), [Sch. 4 para. 2](#)

F104 S. 88D repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 64](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

89 Debts proving to be irrecoverable after discontinuance etc

^{F105}

Textual Amendments

F105 S. 89 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 65](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

90 Additional payments to redundant employees.

^{F106}

Textual Amendments

F106 S. 90 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 66](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

91 Cemeteries.

^{F107}

Textual Amendments

F107 S. 91 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 67](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

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[^{F108}91A Waste disposal: restoration payments.

F109

Textual Amendments

F108 Ss. 91A, 91B inserted by Finance Act 1990 (c. 29), s. 78

F109 S. 91A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 68, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F110}91B Waste disposal: preparation expenditure.

F111

Textual Amendments

F110 Ss. 91A, 91B inserted by Finance Act 1990 (c. 29), s. 78

F111 S. 91B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 69, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F112}91BA Waste disposal: entitlement of successor to allowances.

F113

Textual Amendments

F112 S. 91BA inserted (28.7.2000) by Finance Act 2000 (c. 17), s. 89

F113 S. 91BA repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 69, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F114}91C Mineral exploration and access.

F115

Textual Amendments

F114 S. 91C inserted (with application in accordance with s. 66(3)(4) of the amending Act) by Finance Act 1997 (c. 16), s. 66(1)

F115 S. 91C repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 70, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Treatment of regional development and other grants and debts released etc.

92 Regional development grants.

F116

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Textual Amendments

F116 S. 92 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 71, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

93 Other grants under Industrial Development Act 1982 etc.

F117

Textual Amendments

F117 S. 93 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 72, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

94 Debts deducted and subsequently released.

F118

Textual Amendments

F118 S. 94 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 73, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

95 [^{F119}Taxation of dealers in respect of distributions etc.]

F120

Textual Amendments

F119 S. 95 sidenote substituted (with effect in accordance with s. 24(15) of the amending Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), s. 24(9)

F120 S. 95 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 74, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F121}95ZA] Taxation of UK distributions received by insurance companies

- (1) If the total amount of relevant distributions received by a company in an accounting period exceeds £50,000, those distributions are to be taken into account in calculating for corporation tax purposes the profits of the company in that period (and accordingly [^{F122}section 1285 of CTA 2009] does not apply in relation to those distributions).
- (2) A company (“company A”) receives a “relevant distribution” if—
 - (a) it receives a distribution made by a company resident in the United Kingdom (“company B”),
 - (b) the value of the shares or stock in respect of which the distribution is made (“the holding”) is materially reduced by reason of the distribution,

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- (c) a profit on the sale of the holding (to anyone other than company B) would be taken into account in calculating company A's profits in respect of relevant insurance business, and
- (d) either—
- (i) the holding amounts to, or is an ingredient in a holding amounting to, 10% of all holdings of the same class in company B, or
 - (ii) the period between the acquisition by company A of the holding and that company first taking steps to dispose of the holding does not exceed 30 days.
- (3) In this section “relevant insurance business” means any kind of insurance business other than life assurance business.
- (4) Section 177(7) of TCGA 1992 (provision supplementing provision corresponding to subsection (2)(d)(i) above) applies for the purposes of subsection (2)(d)(i).
- (5) Section 731(4) below (interpretation of “taking steps to dispose of securities”) applies for the purposes of subsection (2)(d)(ii) as if the reference to the securities were to the holding.]

Textual Amendments

- F121** S. 95ZA inserted (with effect in accordance with Sch. 17 para. 16(2) of the amending Act) by Finance Act 2008 (c. 9), Sch. 17 para. 16(1)
- F122** Words in s. 95ZA(1) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 75 (with Sch. 2 Pts. 1, 2)

Special provisions

[^{F123}95A Creative artists: relief for fluctuating profits

^{F124}

Textual Amendments

- F123** S. 95A inserted (11.5.2001) by Finance Act 2001 (c. 9), s. 71(1)
- F124** S. 95A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 75, Sch. 3 (with Sch. 2)

96 Farming and market gardening: relief for fluctuating profits.

^{F125}

Textual Amendments

- F125** S. 96 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 76, Sch. 3 (with Sch. 2)

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97 Treatment of farm animals etc.

F126

Textual Amendments

F126 S. 97 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 76, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F127}98 Tied premises: receipts and expenses treated as those of trade.

F128]

Textual Amendments

F127 S. 98 substituted (17.3.1998) by Finance Act 1998 (c. 36), s. 41(1)(3) (with s. 41(4)-(7))

F128 S. 98 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 77, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

99 Dealers in land.

F129

Textual Amendments

F129 S. 99 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 78, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Status:

Point in time view as at 01/04/2009.

Changes to legislation:

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