



# Finance Act 2001

## 2001 CHAPTER 9

### PART 3

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 2

#### OTHER PROVISIONS

#### *Other relieving provisions*

#### **70 Relief for expenditure on remediation of contaminated land**

- (1) Schedule 22 to this Act (tax relief for expenditure on land remediation) has effect for accounting periods ending on or after 1st April 2001.
- (2) In that Schedule—
  - Part 1 provides for a deduction for certain capital expenditure in computing the profits of a Schedule A business or the profits of a trade for the purposes of Case I of Schedule D,
  - Part 2 provides for entitlement to relief,
  - Part 3 provides for the manner of giving effect to the relief,
  - Part 4 makes special provision for companies carrying on life assurance business, and
  - Part 5 contains supplementary provisions.
- (3) Schedule 23 to this Act (which contains consequential amendments) has effect accordingly.

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*Status: This is the original version (as it was originally enacted).*

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## 71 Creative artists: relief for fluctuating profits

- (1) In Chapter 5 of Part 4 of the Taxes Act 1988 (computational provisions relating to the Schedule D charge), before section 96 and after the cross-heading “*Special provisions*” insert—

### “95A Creative artists: relief for fluctuating profits

Schedule 4A (which enables individuals to make an averaging claim in respect of profits derived wholly or mainly from creative works) shall have effect.

The provisions of that Schedule apply for the year 2000-01 and subsequent years of assessment (so that the first years which may be the subject of an averaging claim are 2000-01 and 2001-02).”.

- (2) After Schedule 4 to that Act insert the Schedule 4A set out in Part 1 of Schedule 24 to this Act.
- (3) The following provisions of the Taxes Act 1988 are repealed—  
 section 534 (relief for copyright payments etc.);  
 section 535 (relief where copyright sold after ten years or more);  
 section 537A (relief for payments in respect of designs);  
 section 538 (relief for painters, sculptors and other artists).

The repeals have effect in relation to payments actually receivable on or after 6th April 2001.

- (4) Part 2 of Schedule 24 to this Act contains amendments consequential on the preceding provisions of this section.

## 72 Expenditure on film production etc

In section 48(2)(a) of the Finance (No.2) Act 1997 (c. 58) (favourable tax treatment for certain expenditure on film production, etc. incurred before 2nd July 2002) for “2nd July 2002” substitute “2nd July 2005”.

## 73 Deductions for business gifts: yearly limit

- (1) Section 577 of the Taxes Act 1988 (prohibition on deduction of expenses in providing business entertainment or gifts) is amended as follows.

- (2) In subsection (8)(b) (under which gifts not amounting to more than £10 in any year are disregarded)—

- (a) for “year” substitute “relevant tax period”, and  
 (b) for “£10” substitute “£50”.

- (3) After that subsection insert—

“(8A) In subsection (8)(b) “relevant tax period” means—

- (a) for the purposes of corporation tax, an accounting period;  
 (b) for the purposes of income tax—  
 (i) for a year of assessment in relation to which sections 60 to 63 apply and give a basis period, that basis period;  
 (ii) in any other case, a year of assessment.”.

- (4) This section applies in relation to the year 2001-02 and subsequent years of assessment or, in the case of companies, in relation to accounting periods beginning on or after 1st April 2001.