

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Schedule 1: Minor and consequential amendments

Part 2: Other enactments

ITTOIA

Section 48 of ITTOIA

3497. Section 48 of ITTOIA restricts the amount which can be deducted in calculating the profits of a trade for income tax purposes in respect of the cost of the hire of a car or motor cycle with a retail price (when new) of more than £12,000 other than “a qualifying hire car or motor cycle”.
3498. The amendments in this paragraph remedy two errors in section 48 of ITTOIA.
3499. Section 578A(4) of ICTA restricts a recovery charge if *any* deduction has been restricted under section 578A(3). Section 48(3) of ITTOIA deals only with a previous restriction under section 48(2). The amendment extends the restriction on the recovery charge to cases where the original restriction was made to any other deduction.
3500. Section 48(4) of ITTOIA refers to a “rebate or release” but neither paragraph of the subsection deals with a rebate. The amendment to paragraph (a) ensures that the subsection applies to rebates as well as to releases of debts.
3501. See *Change 83* in Annex 1.