



Corporation Tax Act 2010

2010 CHAPTER 4

PART 13

OTHER SPECIAL TYPES OF COMPANY ETC

CHAPTER 5

COMPANIES IN LIQUIDATION OR ADMINISTRATION

Companies in liquidation

628 Company in liquidation: corporation tax rates

- (1) This section applies, in the case of a company that is being wound up, in relation to profits of the company arising in its final year (see subsections (2) to (5)) or its penultimate year (see subsections (6) and (7)).
- (2) The rate of corporation tax to be applied in assessing, before the winding up of the company is completed, the corporation tax chargeable on the profits of the company arising in the winding up in its final year is to be determined in accordance with subsections (3) to (5).
- (3) If the rate of corporation tax has been fixed for the final year, that fixed rate is to be applied.
- (4) If the rate of corporation tax has been proposed (but not yet fixed) for the final year, that proposed rate is to be applied.
- (5) If the rate of corporation tax has been neither fixed nor proposed for the final year, the rate fixed or proposed for the penultimate year is to be applied.
- (6) Subsection (7) applies if—
 - (a) the winding up of the company started before the company's final year, and

Status: This is the original version (as it was originally enacted).

- (b) an assessment to corporation tax is made at a time when the rate of corporation tax for the company's penultimate year is proposed (but not yet fixed).
- (7) The rate of corporation tax proposed for the penultimate year is to be applied in relation to the profits of the company arising in the winding up at any time in that year.

629 Company in liquidation: making of assessment to tax

- (1) This section applies if—
 - (a) an assessment to corporation tax is made on the profits of a company that is being wound up, and
 - (b) the assessment is made before the date when the winding up is completed ("the actual winding up date").
- (2) An assessment for an accounting period falling after the start of the winding up is not invalid because it is made before the end of the period.
- (3) In applying section 12 of CTA 2009 (accounting periods of companies being wound up) for the purpose of determining when an accounting period of the company ends, the liquidator may make an assumption as to what the actual winding up date will be ("the assumed winding up date").
- (4) The company's final and penultimate years are not changed if the assumption made under subsection (3) as to the actual winding up date is wrong.
- (5) If the actual winding up date is later than the assumed winding up date—
 - (a) an accounting period of the company ends on the assumed winding up date ("period A"), and
 - (b) a new accounting period of the company ("period B") begins immediately after the end of period A.
- (6) Section 12 of CTA 2009 then applies as if the winding up of the company started at the time when period B begins.