



Corporation Tax Act 2010

2010 CHAPTER 4

[^{F1}PART 8B

TRADING PROFITS TAXABLE AT THE NORTHERN IRELAND RATE

[^{F1}CHAPTER 10

REMEDICATION OF CONTAMINATED OR DERELICT LAND

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](#)

Introductory

357Q Introduction and interpretation

- (1) This Chapter makes provision about the operation of Part 14 of CTA 2009 (remediation of contaminated or derelict land) 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) “qualifying land remediation expenditure” has the same meaning as in Part 14 of CTA 2009 (see section 1144 of that Act);
 - (c) “Northern Ireland qualifying land remediation expenditure” means so much of any qualifying land remediation expenditure as forms part of the Northern Ireland profits or Northern Ireland losses of a trade.

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, CHAPTER 10. (See end of Document for details)

Additional deduction under section 1149 of CTA 2009

357QA Additional deduction

- (1) This section applies where—
- (a) a company is entitled to corporation tax relief under section 1149 of CTA 2009 (additional deduction for qualifying land remediation expenditure) for an accounting period in relation to any qualifying land remediation expenditure,
 - (b) the company is a Northern Ireland company in the period, and
 - (c) some or all of the qualifying land remediation expenditure is Northern Ireland qualifying land remediation expenditure.
- (2) Section 1149(8) of CTA 2009 (amount of additional deduction) has effect, in relation to the Northern Ireland qualifying land remediation expenditure, as if the percentage specified in that provision were the adjusted percentage.
- (3) For the purposes of this section “the adjusted percentage” means—

$$A \times \frac{MR}{NIR}$$

where—

A is the percentage specified in section 1149(8) of CTA 2009;

MR is the main rate for the financial year in which the expenditure is incurred;

NIR is the Northern Ireland rate for the financial year in which the expenditure is incurred.

- (4) So much of the additional deduction under section 1149 of CTA 2009 as is (by virtue of this section) calculated by reference to the adjusted percentage forms part of the Northern Ireland profits or Northern Ireland losses of the trade.

Tax credit under section 1151 of CTA 2009

357QB Tax credit: entitlement

- (1) Section 1152 of CTA 2009 (meaning of “qualifying land remediation loss”) does not apply to a company in relation to a qualifying trade it carries on in an accounting period in which it is a Northern Ireland company (and the following provisions of this section apply instead).
- (2) The company has a qualifying land remediation loss in the period for the purposes of Chapter 3 of Part 14 of CTA 2009 if—
- (a) it obtains an additional deduction under section 1149 of CTA 2009 in the accounting period in calculating the profits of the trade, and
 - (b) it has—
 - (i) a Northern Ireland loss of the trade in the period, or

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- (ii) a mainstream loss of the trade in the period.
- (3) In this Chapter—
- (a) “Northern Ireland qualifying land remediation loss” means a qualifying land remediation loss that a company has by virtue of subsection (2)(b)(i);
 - (b) “mainstream qualifying land remediation loss” means a qualifying land remediation loss that a company has by virtue of subsection (2)(b)(ii).
- (4) The amount of a Northern Ireland qualifying land remediation loss is—
- (a) so much of the Northern Ireland loss in question as is unrelieved, or
 - (b) if less, the Northern Ireland qualifying land remediation expenditure in respect of which the relief was obtained, multiplied by the adjusted section 1152 percentage.
- (5) The amount of a mainstream qualifying land remediation loss is—
- (a) so much of the mainstream loss in question as is unrelieved, or
 - (b) if less, the qualifying land remediation expenditure in respect of which the relief was obtained that is not Northern Ireland qualifying [F²land remediation] expenditure, multiplied by the percentage specified in section 1152(2)(b) of CTA 2009.
- (6) For the purposes of this section “the adjusted section 1152 percentage” means—

$$100 + \left(A \times \frac{MR}{NIR} \right)$$

where—

A is a percentage specified in section 1149(8) of CTA 2009;

MR is the main rate for the financial year in which the expenditure is incurred;

NIR is the Northern Ireland rate for the financial year in which the expenditure is incurred.

- (7) Section 1153 of CTA 2009 (amount of trading loss which is unrelieved) applies for the purposes of this section.
- (8) In the application of section 1153 of CTA 2009 by virtue of subsection (7), subsection (1)(c) of that section has effect as if the reference to any loss surrendered under Part 5 of CTA 2010 were—
- (a) where the trading loss in question is a Northern Ireland loss, to any of that Northern Ireland loss surrendered under that Part;
 - (b) where the trading loss in question is a mainstream loss, to any of that mainstream loss surrendered under that Part.

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Textual Amendments

F2 Words in s. 357QB(5)(b) substituted (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 7 para. 27](#)

357QC Tax credit: amount of tax credit

- (1) Section 1154(1) of CTA 2009 (amount of tax credit) does not apply to a company in relation to a qualifying trade it carries on in an accounting period in which it is a Northern Ireland company (and the following provisions of this section apply instead).
- (2) The amount of the land remediation tax credit to which the company is entitled for the accounting period is, where the company—
 - (a) has a Northern Ireland qualifying land remediation loss, but
 - (b) does not have a mainstream qualifying land remediation loss,
 the amount of the loss mentioned in paragraph (a) multiplied by the relevant percentage.
- (3) The amount of the land remediation tax credit to which the company is entitled for the accounting period is, where the company—
 - (a) has a mainstream qualifying land remediation loss, but
 - (b) does not have a Northern Ireland qualifying land remediation loss,
 the amount of the loss mentioned in paragraph (a) multiplied by the percentage specified in section 1154(1) of CTA 2009.
- (4) The amount of the land remediation tax credit to which the company is entitled for the accounting period is, where the company has both a Northern Ireland qualifying land remediation loss and a mainstream qualifying land remediation loss, the sum of—
 - (a) the amount of the Northern Ireland qualifying land remediation loss multiplied by the relevant percentage, and
 - (b) the amount of the mainstream qualifying land remediation loss multiplied by the percentage specified in section 1154(1) of CTA 2009.
- (5) For the purposes of this section “the relevant percentage” means—

$$A \times \left(\frac{100 + B}{C} \right)$$

where—

A is the percentage specified in section 1154(1) of CTA 2009;

B is the percentage specified in section 1149(8) of CTA 2009;

C is the adjusted section 1152 percentage as defined by section 357QB(6).

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357QD Restriction on losses carried forward where tax credit claimed

- (1) In section 1158 of CTA 2009 (restriction on losses carried forward where tax credit claimed), subsection (2) and subsection (5) so far as applying for the purposes of subsection (2) do not apply to a company in relation to a qualifying trade it carries on in an accounting period in which it is a Northern Ireland company (and the following provisions of this section apply instead).
- (2) If the company in the accounting period—
 - (a) claims a land remediation tax credit to which it is entitled, and
 - (b) has a Northern Ireland loss,that loss is treated for the purposes of section 45 of CTA 2010 (relief for trading losses against future trading profits) as reduced by the amount of the surrendered Northern Ireland loss for the period.
- (3) If the company in the accounting period—
 - (a) claims a land remediation tax credit to which it is entitled, and
 - (b) has a mainstream loss,that loss is treated for the purposes of section 45 of CTA 2010 as reduced by the amount of the surrendered mainstream loss for the period.
- (4) For the purposes of this section—
 - (a) the “amount of the surrendered Northern Ireland loss” for the period means the amount of the Northern Ireland qualifying land remediation loss in respect of which the company claims a tax credit for the period, and
 - (b) the “amount of the surrendered mainstream loss” for the period means the amount of the mainstream qualifying land remediation loss in respect of which the company claims a tax credit for the period.]

Changes to legislation:

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