

Corporation Tax Act 2010

2010 CHAPTER 4

[^{F1}PART 8B

TRADING PROFITS TAXABLE AT THE NORTHERN IRELAND RATE

CHAPTER 13

VIDEO GAMES DEVELOPMENT

[^{F1}Video games tax relief

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

357TA Northern Ireland additional deduction

- (1) In this Chapter "a Northern Ireland additional deduction" means so much of a deduction under section 1217CF of CTA 2009 (additional deduction for qualifying expenditure) as is calculated by reference to qualifying expenditure that is Northern Ireland expenditure.
- (2) A Northern Ireland additional deduction forms part of the Northern Ireland profits or Northern Ireland losses of the separate video game trade.

357TB Northern Ireland supplementary deduction

(1) This section applies where—

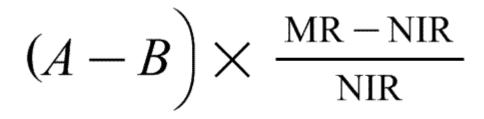
(a) a company is entitled under section 1217CF of CTA 2009 to an additional deduction in calculating the profit or loss of the separate video game trade in an accounting period,

Changes to legislation: There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Video games tax relief. (See end of Document for details)

- (b) the company is a Northern Ireland company in the period,
- (c) the additional deduction is wholly or partly a Northern Ireland additional deduction, and
- (d) any of the following conditions is met—
 - (i) the company does not have a surrenderable loss in the accounting period;
 - (ii) the company has a surrenderable loss in the accounting period, but does not make a claim under section 1217CH of CTA 2009 (video game tax credit claimable if company has surrenderable loss) for the period;
 - (iii) the company has a surrenderable loss in the accounting period and makes a claim under that section for the period, but the amount of Northern Ireland losses surrendered on the claim is less than the Northern Ireland additional deduction.
- (2) The company is entitled to make another deduction ("a Northern Ireland supplementary deduction") in respect of qualifying expenditure.
- (3) See section 357TC for provision about the amount of the Northern Ireland supplementary deduction.
- (4) The Northern Ireland supplementary deduction—
 - (a) is made in calculating the profit or loss of the separate video game trade, and
 - (b) forms part of the Northern Ireland profits or Northern Ireland losses of the separate video game trade.
- (5) In this section "surrenderable loss" has the meaning given by section 1217CH of CTA 2009.

357TC Northern Ireland supplementary deduction: amount

- (1) This section contains provision for the purposes of section 357TB(2) about the amount of the Northern Ireland supplementary deduction.
- (2) If the accounting period falls within only one financial year, the amount of the Northern Ireland supplementary deduction is—



where----

A is the amount of the Northern Ireland additional deduction brought into account in the accounting period;

B is the amount of Northern Ireland losses surrendered in any claim under section 1217CH of CTA 2009 for the accounting period;

MR is the main rate for the financial year;

NIR is the Northern Ireland rate for the financial year.

(3) If the accounting period falls within more than one financial year, the amount of the Northern Ireland supplementary deduction is determined by taking the following steps.

Step 1 Calculate, for each financial year, the amount that would be the Northern Ireland supplementary deduction for the accounting period if it fell within only that financial year (see subsection (2)).

Step 2 Multiply each amount calculated under step 1 by the proportion of the accounting period that falls within the financial year for which it is calculated. *Step 3* Add together each amount found under step 2.

357TD Tax credit: Northern Ireland supplementary deduction ignored

For the purpose of determining the available loss of a company under section 1217CH of CTA 2009 (video game tax credit claimable if company has surrenderable loss) for any accounting period, any Northern Ireland supplementary deduction made by the company in the period (and any Northern Ireland supplementary deduction made in any previous accounting period) is to be ignored.

357TE Artificially inflated claims for additional deduction

Section 1217CL(1)(a) and (2)(a) of CTA 2009 (artificially inflated claims for additional deduction or film tax credit) has effect as if references to an additional deduction under Chapter 3 of Part 15B of that Act included a Northern Ireland supplementary deduction under this Chapter.]

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Cross Heading: Video games tax relief.