



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 4

#### LOSS RELIEF

### CHAPTER 5

#### LOSSES ON DISPOSAL OF SHARES

##### *Share loss relief against income*

#### **71 How relief works**

- (1) This subsection explains how deductions in respect of share loss relief claimed by a company under section 70 are to be made.

*Step 1*

Deduct the loss in calculating the company's income for the accounting period in which the loss is incurred.

*Step 2*

If not all of the loss can be deducted at Step 1, deduct the remaining loss in calculating the company's income for any accounting period falling (wholly or partly) within the 12 month period that ends immediately before the beginning of the accounting period in which the loss is incurred.

- (2) The amount of a deduction to be made at Step 2 for any accounting period is the amount of the loss so far as it cannot be deducted under subsection (1) for a subsequent accounting period.
- (3) Subsection (1) is subject to sections 72, 74(5) and 75 (which set limits on the amount of share loss relief that may be obtained in particular cases).

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*Status: This is the original version (as it was originally enacted).*

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- (4) A deduction at Step 2 from the income of an accounting period may be made only after all other deductions have been made from the income for that period in respect of share loss relief given for an earlier loss.
- (5) Deductions made on the basis of relief claimed under Part 7 of Schedule 15 to FA 2000 (relief for losses on disposal of shares to which investment relief is attributable) must, in accordance with paragraph 70 of that Schedule, be made before making deductions for share loss relief.
- (6) A claim for share loss relief does not affect any claim for a deduction under TCGA 1992 for so much of the allowable loss as is not deducted under subsection (1).