

SCHEDULES

SCHEDULE 15

RELIEF FOR COMPANY TRADING LOSSES

The Income and Corporation Taxes Act 1988 (c. 1)

23 In section 826 of that Act (interest on tax overpaid) after subsection (7) there shall be inserted—

“(7A) In any case where—

- (a) a company carrying on a trade incurs a loss in the trade in an accounting period (“the later period”),
- (b) as a result of a claim under section 393A(1), the whole or any part of that loss is set off for the purposes of corporation tax against profits (of whatever description) of an earlier accounting period (“the earlier period”) which does not fall wholly within the period of twelve months immediately preceding the later period, and
- (c) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that accounting period,

then, in determining the amount of interest (if any) payable under this section on the repayment referred to in paragraph (c) above, no account shall be taken of any increase in the amount of that repayment as a result of the claim under section 393A(1), except so far as concerns interest for any time after the date on which any corporation tax for the later period became (or, as the case may be, would have become) due and payable, as mentioned in subsection (2) above.

(7B) In any case where—

- (a) a company carrying on a trade incurs a loss in the trade in an accounting period (“the later period”),
- (b) as a result of a claim under section 242, the whole or any part of a surplus of franked investment income for an earlier accounting period (the “earlier period”) which does not fall wholly within the period of twelve months immediately preceding the later period is treated as there mentioned for the purpose of setting the loss against total profits under section 393A(1), and
- (c) a payment falls to be made of the whole or part of a tax credit comprised in franked investment income received by the company in the earlier period,

then, in determining the amount of interest (if any) payable under this section on the payment referred to in paragraph (c) above, no account shall be taken of any increase in the amount of that payment as a result of the claim under section 242 (to the extent that that section relates to section 393A(1)), except so far as concerns interest for any time after the date on which any

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corporation tax for the later period became (or, as the case may be, would have become) due and payable, as mentioned in subsection (2) above.”