



Finance Act 1995

1995 CHAPTER 4

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Change of residence and non-residents

129 Limit on income chargeable on non-residents: corporation tax

- (1) Subject to subsection (4) below, the corporation tax chargeable on the chargeable profits arising in any accounting period to a company which is not resident in the United Kingdom shall not exceed the sum of the following amounts, that is to say—
 - (a) the amount of tax deducted from so much of any excluded income as is income the tax on which is deducted at source; and
 - (b) the amount (if any) of corporation tax which would be chargeable on the chargeable profits arising to that company for that period if the excluded income of the company for that period were not included in those profits.
- (2) For the purposes of this section income arising for any accounting period to any company is excluded income in so far as it—
 - (a) is income arising as mentioned in subsection (1)(b) or (c) of section 127 above; and
 - (b) is not income in relation to which that person has a UK representative for the purposes of section 126 above and Schedule 23 to this Act.
- (3) In subsection (1)(a) above—
 - (a) the reference to excluded income the tax on which is deducted at source is a reference to excluded income from which an amount in respect of tax is or is treated as deducted, on which any such amount is treated as paid or in respect of which there is a tax credit, and
 - (b) the reference, in relation to any such income, to the amount of tax deducted shall be construed, accordingly, as a reference to the amount which is or is

Status: This is the original version (as it was originally enacted).

treated as deducted or which is treated as paid or, as the case may be, to the amount of that credit.

- (4) This section does not apply in relation to the chargeable profits arising to a company which is a corporate member within the meaning of Chapter V of Part IV of the Finance Act 1994 (corporate Lloyd's underwriters etc.).
- (5) This section applies, subject to subsection (6) below, in relation to any accounting period ending after 5th April 1995.
- (6) This section shall have effect in relation to any accounting period beginning before 1st April 1996 as if the following paragraphs were substituted for paragraphs (a) and (b) of subsection (2) above, that is to say—
 - “(a) is income arising after 5th April 1995 which would be income arising as mentioned in subsection (1)(b) or (c) of section 127 above if that section applied in relation to accounting periods beginning before 1st April 1996; and
 - (b) is not income in relation to which that person would have a UK representative for the purposes of section 126 above and Schedule 23 to this Act if sections 126 and 127 above and that Schedule so applied.”