

SCHEDULES

SCHEDULE 23

Section 70.

LAND REMEDIATION: CONSEQUENTIAL AMENDMENTS

Computation under Schedule A

- 1 In section 21A of the Taxes Act 1988 (profits of Schedule A business computed in same way as for Case I of Schedule D trade), after subsection (4) (rules in Chapter 5 of Part 4 of the Taxes Act 1988 relating to trade within Case I of Schedule D not applying to Schedule A business) insert—

“(5) Part 1 of Schedule 22 to the Finance Act 2001 (deduction for capital expenditure on remediation of contaminated land) applies in accordance with subsection (1), and the other Parts of that Schedule (further provision as to relief for remediation of contaminated land) have effect in relation to a Schedule A business in accordance with their provisions.”.

Computation of profits of insurance companies

- 2 In section 76 of the Taxes Act 1988 (expenses of management of insurance companies in computing profits for an accounting period) after subsection (7A) insert—

“(7B) The amounts which a company may treat as part of its expenses of management for the purposes of this section include amounts in respect of which relief is given under paragraph 22 of Schedule 22 to the Finance Act 2001 (relief in respect of expenditure on remediation of contaminated land which is management asset).”.

Interest

- 3 (1) Section 826 of the Taxes Act 1988 (interest on tax overpaid) is amended as follows.
(2) In subsection (1) (payments which carry interest) after paragraph (d) insert—

“; or

- (e) a payment of land remediation tax credit or life assurance company tax credit falls to be made to a company under Schedule 22 to the Finance Act 2001 in respect of an accounting period.”.

- (3) After subsection (3A) (material date for payments of R&D tax credits) insert—

“(3B) In relation to a payment of land remediation tax credit or life assurance company tax credit falling within subsection (1)(e) above the material date is whichever is the later of—

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- (a) the filing date for the company's company tax return for the accounting period for which the land remediation tax credit or the life assurance company tax credit is claimed, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment of the land remediation tax credit or the life assurance company tax credit is delivered to the Inland Revenue.

For this purpose "the filing date", in relation to a company tax return, has the same meaning as in Schedule 18 to the Finance Act 1998."

- (4) In subsection (8A) (recovery of overpaid interest)—
 - (a) in paragraph (a), after "subsection (1)(a) or (d)" insert "or (e)", and
 - (b) in paragraph (b)(ii), after "R&D tax credit" insert " , land remediation tax credit or life assurance company tax credit".
- (5) In subsection (8BA) (cases where there is change in amount of tax credit)—
 - (a) after "amount of the R&D tax credit" insert " , the land remediation tax credit or the life assurance company tax credit", and
 - (b) after "amount of R&D tax credit" insert " , land remediation tax credit or life assurance company tax credit".

Claim must be made in tax return

- 4 In Schedule 18 to the Finance Act 1998 (c. 36) (company tax returns, assessments and related matters), in paragraph 10 (other claims and elections to be included in return), after sub-paragraph (2) insert—
 - "(2A) A claim to which Part 9B of this Schedule applies (claims for land remediation tax credit and life assurance company tax credit) can only be made by being included in a company tax return (see paragraph 83H)."

Recovery of excessive tax credit

- 5 In paragraph 52 of that Schedule (recovery of excessive repayments, etc.)—
 - (a) in sub-paragraph (2) (excessive repayments to which paragraphs 41 to 48 apply), before "or" at the end of paragraph (ba) insert—
 - "(bb) land remediation tax credit or life assurance company tax credit under Schedule 22 to the Finance Act 2001,";
 - (b) in that sub-paragraph, in paragraph (c) (interest paid under section 826 of the Taxes Act 1988) for "that Act" substitute "the Taxes Act 1988";
 - (c) in sub-paragraph (5) (connection of assessment for excessive payment to an accounting period), before "or" at the end of paragraph (ab) insert—
 - "(ac) an amount of land remediation tax credit or life assurance company tax credit paid to a company for an accounting period,"; and
 - (d) at the end of that sub-paragraph after "(ab)" insert " , (ac)".

Claims relating to remediation of contaminated land

- 6 After Part 9A of that Schedule (claims for R&D tax credits) insert—

“PART 9B

CLAIMS RELATING TO REMEDIATION OF CONTAMINATED LAND

Introduction

- 83G This Part of this Schedule applies to claims for—
- (a) land remediation tax credits under paragraph 14 of Schedule 22 to the Finance Act 2001 (“land remediation tax credits”), and
 - (b) life assurance company tax credits under paragraph 24 of that Schedule (“life assurance company tax credits”).

Claim to be included in company tax return

- 83H (1) A claim for a land remediation tax credit or a life assurance company tax credit must be made by being included in the claimant company’s company tax return for the accounting period for which the claim is made.
- (2) It may be included in the return originally made or by amendment.

Content of claim

- 83I A claim for a land remediation tax credit or a life assurance company tax credit must specify the amount of the tax credit claimed, which must be an amount quantified at the time the claim is made.

Amendment or withdrawal of claim

- 83J A claim for a land remediation tax credit or a life assurance company tax credit may be amended or withdrawn by the claimant company only by amending its company tax return.

Time limit for claims

- 83K (1) A claim for a land remediation tax credit or a life assurance company tax credit may be made, amended or withdrawn at any time up to the first anniversary of the filing date for the company tax return of the claimant company for the accounting period for which the claim is made.
- (2) The claim may be made, amended or withdrawn at a later date if the Inland Revenue allow it.

Penalty

- 83L (1) The company is liable to a penalty where it—
- (a) fraudulently or negligently makes a claim for a land remediation tax credit or a life assurance company tax credit and that claim is incorrect, or

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- (b) discovers that such a claim made by it (neither fraudulently nor negligently) is incorrect and does not remedy the error without unreasonable delay.
- (2) The penalty is an amount not exceeding the excess land remediation tax credit or excess life assurance company tax credit claimed, that is, the difference between—
 - (a) the amount of the land remediation tax credit or the life assurance company tax credit claimed by the company for the accounting period to which the claim relates, and
 - (b) the amount of the land remediation tax credit or the life assurance company tax credit to which the company is entitled for that period.”.