



# Finance Act 2006

## 2006 CHAPTER 25

### PART 3

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

### CHAPTER 3

#### FILMS AND SOUND RECORDINGS

#### *Film losses*

#### **43 Films: restriction on use of losses while film in production**

- (1) This section applies to restrict the use that may be made of a film production company's trading loss for an accounting period before—
  - (a) that in which the film is completed, or
  - (b) where the company does not complete the film, that in which it abandons film-making activities in relation to the film.
- (2) A trading loss for such a period is not available for loss relief except to the extent that it may be carried forward under section 393(1) of ICTA to be set against profits of the same trade in a later period.
- (3) In this section "loss relief" includes any means by which a loss might be used to reduce the amount in respect of which the film production company, or any other person, is chargeable to tax.