



Finance Act 2006

2006 CHAPTER 25

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 3

FILMS AND SOUND RECORDINGS

Film losses

44 Films: use of losses in later periods

- (1) This section applies—
 - (a) to the accounting period—
 - (i) in which the film is completed, or
 - (ii) if the film production company does not complete the film, in which it abandons film-making activities in relation to the film, and
 - (b) to any subsequent accounting period during which the trade continues.
- (2) Where a trading loss is carried forward to any such period under section 393(1) of ICTA from an earlier period in relation to which section 43 applied (restriction on use of losses while film is in production), so much (if any) of the loss as is not attributable to film tax relief may be treated for the purposes of loss relief as if it were a loss incurred in the period to which it is carried forward.
- (3) The amount of the trading loss for an accounting period to which this section applies that may be—
 - (a) set against other profits of the same or an earlier period under section 393A of ICTA, or
 - (b) surrendered as group relief under section 403 of that Act, is restricted to the amount (if any) that is not attributable to film tax relief.

Status: This is the original version (as it was originally enacted).

- (4) For the purposes of this section the amount of a trading loss in any period that is attributable to film tax relief is calculated by deducting from the total amount of the loss the amount there would have been if there had been no additional deduction under Schedule 5 in that or any earlier period.
- (5) 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.
- (6) This section does not apply to a loss to the extent that it is carried forward or surrendered under section 45 (terminal losses).