

FINANCE ACT 2009

EXPLANATORY NOTES

INTRODUCTION

Section 7: Corporation Tax: Charge and Main Rates for Financial Year 2010

Summary

1. [Section 7](#) charges corporation tax for the financial year beginning 1 April 2010 and sets the main rate of corporation tax at 30 per cent on ring fence profits of North Sea oil companies and 28 per cent on the profits of other companies.

Details of the Section

2. Subsection (2) sets the charge and the main rates of corporation tax for the financial year 2010.

Background Note

3. The main rate of corporation tax is paid by companies with profits of more than £1,500,000 (the upper profits limit).
4. Where two or more companies are associated with one another, the profits limit is reduced. This is done by dividing the limit by the number of associated companies.
5. Companies with profits from oil extraction and oil rights in the UK and the UK Continental Shelf ('ring fence profits') will continue to be subject to a separate main rate of corporation tax applicable to those ring fenced profits. Profits from activities which are not ring fenced will continue to be charged at the main rate of corporation tax applicable to all other profits.