

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 9: Intellectual property: know-how and patents

Overview

Chapter 3: Sales of Patent Rights

Section 913: Profits charged under section 912

2310. This section sets out the amount charged to tax under section 912. It is based on section 524 of ICTA. The corresponding rule for income tax is in section 588 of ITTOIA.
2311. This section is subject to the spreading rules in sections 914 to 917.
2312. *Subsection (2)* defines deductible costs as the capital cost of the rights sold plus any incidental expenses of sale. This makes it explicit that such expenses may be deducted. The types of expenses which may be allowed under this section are not listed. Incidental expenses which relate to both capital sale proceeds and other sums not chargeable to tax under section 912 are effectively apportioned under the rules about net proceeds of sale in section 929.
2313. *Subsection (5)* is new and includes a signpost to section 926 which deals with contributions to expenditure. This signpost is necessary because section 532 of ICTA treats section 524 of ICTA as if it were contained in CAA.