



Corporation Tax Act 2009

2009 CHAPTER 4

PART 13

ADDITIONAL RELIEF FOR EXPENDITURE ON RESEARCH AND DEVELOPMENT

CHAPTER 7

[^{F1}RELIEF FOR LARGE COMPANIES: VACCINE RESEARCH ETC]

Reliefs

1087 Deduction in calculating profits of trade

(1) A company is entitled to corporation tax relief for an accounting period if it meets conditions A^{F1}... [^{F2}, C and D].

(2) Condition A is that the company has incurred expenditure which is qualifying Chapter 7 expenditure for the period.

^{F3}(3)

(4) Condition C is that the company is carrying on a trade in the period.

[^{F4}(4A) Condition D is that the company is a large company throughout the period.]

(5) For the company to obtain the relief it must make a claim.

(6) The relief is a deduction in calculating the profits of the trade for the period.

[^{F5}(7) For the amount of the deduction see section 1091.]

(8) This section is subject to section 1113 (cap on total R&D aid in relation to a particular research and development project).

(9) See also—

Status: Point in time view as at 17/07/2013.

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- (a) section 1088 for the declaration that a ^{F6}... company is required to make in a claim under this section,
- ^{F7}(b)
- (c) section 1098 for the meaning of “qualifying Chapter 7 expenditure”, and
- (d) [^{F8}section 1100] for the meaning of qualifying Chapter 7 expenditure “for” an accounting period.

Textual Amendments

- F1** Word in s. 1087(1) omitted (with effect in accordance with Sch. 3 para. 39 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 7\(3\)\(a\)](#)
- F2** Words in s. 1087(1) substituted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 22\(2\)](#)
- F3** S. 1087(3) omitted (with effect in accordance with Sch. 3 para. 39 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 7\(3\)\(b\)](#)
- F4** S. 1087(4A) inserted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 22\(3\)](#)
- F5** S. 1087(7) substituted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 22\(4\)](#)
- F6** Word in s. 1087(9)(a) omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 22\(5\)\(a\)](#)
- F7** S. 1087(9)(b) omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 22\(5\)\(b\)](#)
- F8** Words in s. 1087(9)(d) substituted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 22\(5\)\(c\)](#)

1088 [^{F9}Declaration about effect of relief]

- (1) This section applies if a ^{F10}... company claims relief under section 1087.
- (2) The claim must include a declaration that the availability of the relief claimed has resulted in an increase in—
 - (a) the amount, scope or speed of the research and development undertaken by the company, or
 - (b) the company's expenditure on research and development.

Textual Amendments

- F9** S. 1088 heading substituted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 23\(2\)](#)
- F10** Word in s. 1088(1) omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 23\(1\)](#)

^{F11}1089 SMEs: amount of deduction

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Status: Point in time view as at 17/07/2013.

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Textual Amendments

F11 S. 1089 omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 24](#)

^{F12}1090 Modification of section 1089 for larger SMEs

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Textual Amendments

F12 S. 1090 omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 24](#)

1091 [^{F13}Amount of deduction]

- (1) This section applies if—
 - (a) a company makes a claim under section 1087 for relief to which it is entitled for an accounting period, ^{F14}...
 - ^{F14}(b)
- (2) The amount of the deduction under that section is the sum of—
 - (a) amount A, and
 - (b) amount B.
- (3) Amount A is 40% of so much of the company's qualifying Chapter 7 expenditure for the period as is allowable as a deduction in calculating for corporation tax purposes the profits for the period of a trade carried on by the company.
- (4) Amount B is 140% of so much of the company's qualifying Chapter 7 expenditure for the period that is not so allowable.
- (5) The deduction is in addition to any other deduction in respect of the expenditure.
- (6) See sections 1098 and 1100 for the meaning of “qualifying Chapter 7 expenditure” and provision about when such expenditure is “for” an accounting period.

Textual Amendments

F13 S. 1091 heading substituted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 25\(2\)](#)

F14 S. 1091(1)(b) and the word immediately preceding it omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 25\(1\)](#)

^{F15}1092 SMEs: deemed trading loss for pre-trading expenditure

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Status: Point in time view as at 17/07/2013.

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Textual Amendments

F15 Ss. 1092-1096 omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 26](#)

^{F15} 1093 Modification of section 1092 for larger SMEs

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Textual Amendments

F15 Ss. 1092-1096 omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 26](#)

^{F15} 1094 Relief only available to SME where company is going concern

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Textual Amendments

F15 Ss. 1092-1096 omitted (with effect in accordance with Sch. 3 para. 38 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 3 para. 26](#)

Status:

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Changes to legislation:

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