

Status: Point in time view as at 17/07/2013.

Changes to legislation: Corporation Tax Act 2009, Chapter 4 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)



Corporation Tax Act 2009

2009 CHAPTER 4

PART 14

REMEDIATION OF CONTAMINATED [^{F1}OR DERELICT] LAND

CHAPTER 4

SPECIAL PROVISION FOR [^{F1}BLAGAB]

Textual Amendments

F1 Words in Pt. 14 Ch. 4 heading substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 195](#)

F2 ...

Textual Amendments

F2 S. 1159 and cross-heading omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 196](#)

^{F2}1159 Limitation on relief under Chapter 2

.....

Status: Point in time view as at 17/07/2013.

Changes to legislation: Corporation Tax Act 2009, Chapter 4 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

I minus E basis

1160 Provision in respect of I minus E basis

[^{F3}This Chapter applies] if, for an accounting period, an insurance company is charged to tax [^{F4}in respect of its basic life assurance and general annuity business in accordance with the I - E rules].

Textual Amendments

F3 Words in s. 1160 substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 197(a)**

F4 Words in s. 1160 substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 197(b)**

Relief^{F5}...

Textual Amendments

F5 Words in Pt. 14 Ch. 4 cross-heading omitted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 7 para. 12(8)**

1161 Relief in respect of I minus E basis: ^{F6}... expenses payable

- (1) A company is entitled to relief for an accounting period if conditions A, B and C are met.
- (2) Condition A is that [^{F7}a major interest in] land in the United Kingdom is a management asset of the company.
- [^{F8}(3) Condition B is that—
 - (a) in the case of land in a contaminated state, the land was in a contaminated state at the time of the acquisition by the company of a major interest in the land, and
 - (b) in the case of land in a derelict state, the land was in a derelict state throughout the period beginning with the earlier of—
 - (i) 1 April 1998, and
 - (ii) the date on which a major interest in the land was first acquired by the company or a person who was connected with the company.
- (3A) The Treasury may by order—
 - (a) specify circumstances in which the condition in paragraph (a) of subsection (3) need not be met, or
 - (b) replace the date for the time being specified in paragraph (b)(i) of that subsection with a later date.
- (3B) An order under subsection (3A) may contain incidental, supplemental, consequential and transitional provision and savings.]
- (4) Condition C is that the company incurs qualifying [^{F9}land remediation] expenditure in the accounting period in respect of the land ^{F10}....
- ^{F11}(5)

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

Changes to legislation: Corporation Tax Act 2009, Chapter 4 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (6) The relief is that the company may treat ^{F12}... the qualifying Chapter 4 expenditure as expenses payable which fall to be brought into account for the accounting period at Step 1 in [^{F13}section 76 of FA 2012] (deduction for expenses payable).
- (7) For the purposes of this section land is a management asset of a company if it is—
- (a) an asset provided for use or used for the management of [^{F14}basic life assurance and general annuity business] carried on by the company, or
 - (b) an asset in respect of which expenditure is being incurred with a view to such use by the company.

Textual Amendments

- F6** Word in s. 1161 heading omitted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 12\(7\)](#)
- F7** Words in s. 1161(2) inserted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 12\(2\)](#)
- F8** S. 1161(3)-(3B) substituted for s. 1161(3) (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 12\(3\)](#)
- F9** Words in s. 1161(4) substituted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 12\(4\)\(a\)](#)
- F10** Words in s. 1161(4) omitted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 12\(4\)\(b\)](#)
- F11** S. 1161(5) omitted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 12\(5\)](#)
- F12** Words in s. 1161(6) omitted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 12\(6\)](#)
- F13** Words in s. 1161(6) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 198\(2\)](#)
- F14** Words in s. 1161(7)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 198\(3\)](#)

[^{F15}1162] Additional relief

- (1) If a company is entitled to relief under section 1161 for an accounting period it is also entitled to relief under this section for the period.
- (2) For the company to obtain the relief it must make a claim.
- (3) The relief is that the company may treat 50% of the qualifying Chapter 4 expenditure [^{F16}for the purposes of section 76 of FA 2012 as deemed BLAGAB management expenses for the accounting period].
- (4) For the purposes of this Chapter “the qualifying Chapter 4 expenditure” means—
- (a) the company's qualifying land remediation expenditure for the accounting period, less
 - (b) the amount (if any) [^{F17}of the expenditure which, for the purposes of section 76 of FA 2012, is not an ordinary BLAGAB management expense of the company referable to the accounting period as a result of the application of section 77(2)(b) of that Act].]

Textual Amendments

- F15** S. 1162 substituted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 13](#)

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

Changes to legislation: Corporation Tax Act 2009, Chapter 4 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- F16** Words in s. 1162(3) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 199\(2\)](#)
F17 Words in s. 1162(4)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 199\(3\)](#)

1163 No relief if company responsible for contamination [^{F18}or dereliction or polluter has interest]

[^{F19}(1)] A company is not entitled to relief under section 1161 [^{F20}or 1162] in respect of expenditure on land all or part of which is in a contaminated [^{F21}or derelict] state if the land is in a contaminated or derelict] state wholly or partly as a result of any thing done, or omitted to be done, at any time by—

- (a) the company, or
- (b) a person with a relevant connection to the company (see section 1178).

[^{F22}(2)] A company is not entitled to relief under this Chapter in respect of expenditure on land all or part of which is in a contaminated or derelict state if—

- (a) the land is in that state wholly or partly as a result of any thing done, or omitted to be done, by a person not within subsection (1), and
- (b) that person, or a person connected with that person, has a relevant interest in the land.

(3) For the purposes of subsection (2) a person has a relevant interest in land if—

- (a) the person holds any interest in, right over or licence to occupy the land (including an option to acquire any such interest, right or licence in any circumstances), or
- (b) has disposed of any estate or interest in the land for a consideration that to any extent reflects the impact, or likely impact, on the value of the land of the remediation of its contamination or dereliction.]

Textual Amendments

- F18** Words in s. 1163 heading inserted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 7 para. 14\(5\)](#)
F19 S. 1163(1): s. 1163 renumbered as s. 1163(1) (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 7 para. 14\(2\)](#)
F20 Words in s. 1163(1) inserted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 7 para. 14\(3\)\(a\)](#)
F21 Words in s. 1163(1) substituted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 7 para. 14\(3\)\(b\)](#)
F22 S. 1163(2)(3) inserted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 7 para. 14\(4\)](#)

[^{F23}BLAGAB] company tax credits

Textual Amendments

- F23** Words in s. 1164 cross-heading substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 200](#)

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

Changes to legislation: Corporation Tax Act 2009, Chapter 4 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

1164 Entitlement to tax credit

- (1) A company is entitled to [^{F24}a BLAGAB tax credit] for an accounting period if it has a [^{F25}qualifying BLAGAB loss] in the period (see section 1165).
- (2) For the company to obtain [^{F26}a BLAGAB tax credit] in respect of all or part of the [^{F27}qualifying BLAGAB loss] it must make a claim.
- (3) The amount of [^{F28}a BLAGAB tax credit] to which the company is entitled is determined in accordance with section 1166.
- (4) See also section 1168, which restricts the carry forward of expenses payable where a company claims [^{F29}a BLAGAB tax credit].

Textual Amendments

- F24** Words in s. 1164(1) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 16 para. 201(2)(a)
- F25** Words in s. 1164(1) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 16 para. 201(2)(b)
- F26** Words in s. 1164(2) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 16 para. 201(2)(a)
- F27** Words in s. 1164(2) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 16 para. 201(2)(b)
- F28** Words in s. 1164(3) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 16 para. 201(3)
- F29** Words in s. 1164(4) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 16 para. 201(3)

1165 Meaning of [^{F30}“qualifying BLAGAB loss”]

- (1) For the purposes of this Chapter a company has a [^{F31}“qualifying BLAGAB loss”] in an accounting period (“the relevant accounting period”) if in the period—
 - (a) it is entitled to relief under section 1161 [^{F32}or 1162], and
 - (b) an amount falls to be carried forward to a subsequent accounting period under [^{F33}section 73 of FA 2012 as excess BLAGAB expenses].
- (2) In determining for the purposes of subsection (1)(b) whether there is an amount which falls to be carried forward to a subsequent accounting period under [^{F34}section 73 of FA 2012 as excess BLAGAB expenses], no account is to be taken of the amounts specified in subsection (3).
- (3) Those amounts are amounts—
 - (a) brought forward from an earlier accounting period, and
 - [^{F35}(b) taken into account in calculating for the purposes of section 73 of FA 2012 the amount of adjusted BLAGAB management expenses of the company for the relevant accounting period as a result of—
 - (i) the previous application of section 73 or 93 of FA 2012, or
 - (ii) the carry forward to the relevant accounting period of an amount under section 391 of this Act (surplus deficit).]
- (4) The amount of the [^{F36}qualifying BLAGAB loss] is—
 - (a) the amount which falls to be carried forward as mentioned in subsection (1)(b), or
 - (b) if less, 150% of the qualifying Chapter 4 expenditure in respect of which the relief was obtained.

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

Changes to legislation: Corporation Tax Act 2009, Chapter 4 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

- F30** Words in s. 1165 heading substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 202\(6\)](#)
- F31** Words in s. 1165(1) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 202\(2\)\(a\)](#)
- F32** Words in s. 1165(1)(a) inserted (with effect in accordance with Sch. 7 paras. 27, 28 of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 7 para. 15](#)
- F33** Words in s. 1165(1)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 202\(2\)\(b\)](#)
- F34** Words in s. 1165(2) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 202\(3\)](#)
- F35** S. 1165(3)(b) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 202\(4\)](#)
- F36** Words in s. 1165(4) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 202\(5\)](#)

1166 Amount of tax credit

- (1) The amount of the [^{F37}BLAGAB tax credit] to which a company is entitled for an accounting period is 16% of the amount of the [^{F38}qualifying BLAGAB loss] for the period.
- (2) The Treasury may by order replace the percentage for the time being specified in subsection (1) with a different percentage.
- (3) An order under subsection (2) may contain incidental, supplemental, consequential and transitional provision and savings.

Textual Amendments

- F37** Words in s. 1166(1) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 203\(a\)](#)
- F38** Words in s. 1166(1) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 203\(b\)](#)

1167 Payment of tax credit etc

- (1) The provisions mentioned in subsection (2) have effect in relation to [^{F39}a BLAGAB tax credit] subject to the modifications set out in subsection (3).
- (2) The provisions referred to in subsection (1) are—
 - section 1151(4) (payment of tax credit by officer of Revenue and Customs);
 - section 1155 (supplementary provision about payment of tax credit);
 - section 1156 (tax credit payment not income of company);
 - section 1157 (qualifying expenditure excluded for capital gains purposes).
- (3) The modifications referred to in subsection (1) are as follows—
 - (a) for any reference to a land remediation tax credit substitute a reference to [^{F40}a BLAGAB tax credit], and
 - (b) in section 1157(2) for the reference to qualifying land remediation expenditure substitute a reference to qualifying Chapter 4 expenditure.

Textual Amendments

- F39** Words in s. 1167(1) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 204](#)
- F40** Words in s. 1167(3)(a) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 204](#)

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

Changes to legislation: Corporation Tax Act 2009, Chapter 4 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

1168 Restriction on carrying forward expenses payable where tax credit claimed

- (1) This section applies if a company claims [^{F41}a BLAGAB tax credit] to which it is entitled for an accounting period.
- (2) For the purposes of [^{F42}section 73 of FA 2012] the amount which may be—
 - (a) carried forward from the accounting period under [^{F43}that section as excess BLAGAB expenses], and
 - (b) brought into account in accordance with [^{F44}step 5 in section 76 of FA 2012], is treated as reduced by the amount of the surrendered loss for the period.
- (3) The “amount of the surrendered loss” for the period means the amount of the [^{F45}qualifying BLAGAB loss] in respect of which the land remediation tax credit is claimed for the period.

Textual Amendments

- F41** Words in s. 1168(1) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 205\(2\)](#)
- F42** Words in s. 1168(2) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 205\(3\)\(a\)](#)
- F43** Words in s. 1168(2) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 205\(3\)\(b\)](#)
- F44** Words in s. 1168(2) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 205\(3\)\(c\)](#)
- F45** Words in s. 1168(3) substituted (17.7.2012) by [Finance Act 2012 \(c. 14\), Sch. 16 para. 205\(4\)](#)

Status:

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

Changes to legislation:

Corporation Tax Act 2009, Chapter 4 is up to date with all changes known to be in force on or before 19 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.