Corporation Tax Act 2009

2009 CHAPTER 4

PART 3

TRADING INCOME

CHAPTER 4

TRADE PROFITS: RULES RESTRICTING DEDUCTIONS

56 Car [F1]... hire

(1) Subsection (2) applies if, in calculating the profits of a trade, a deduction is allowed for expenses incurred on the hiring of a car **[**[F2]which is not——
   (a) a car that is first registered before 1 March 2001,
   (b) a car that has low CO_2 emissions,
   (c) a car that is electrically propelled, or
   (d) a qualifying hire car.**]**

(2) The amount of the deduction which would otherwise be allowable is reduced by **[**[F3]15%**]**.

(3) Subsection (4) applies if a deduction is reduced as a result of subsection (2), or a corresponding provision, and subsequently—
   (a) there is a rebate (however described) of the hire charges, or
   (b) a debt in respect of any of the hire charges is released otherwise than as part of a statutory insolvency arrangement.

(4) The amount that, as a result of the rebate or release—
   (a) is brought into account as a receipt of the trade, or
   (b) is treated as a post-cessation receipt under section 193 (debts released after cessation),

   is reduced by **[**[F4]15%**]**.

Changes to legislation: *Corporation Tax Act 2009, Section 56 is up to date with all changes known to be in force on or before 08 October 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) View outstanding changes*

(5) In this section "corresponding provision" means—

(a) section 1251(2) (car [F5]... hire: expenses of management), **[**[F6]including as applied by section 82(4) of FA 2012, or**]**

(b) section 48(2) of ITTOIA 2005 (car [F7]... hire: trade profits and property income), [F8]...

[F8](c) . . . . . .

[F9](6) . . . . . .

Textual Amendments

F1 Words in s. 56 heading omitted (with effect in accordance with Sch. 11 paras. 65-67 of the commencing Act)) by virtue of Finance Act 2009 (c. 10), Sch. 11 para. 47(7)

F2 Words in s. 56(1) substituted (with effect in accordance with Sch. 11 paras. 65-67 of the commencing Act) by Finance Act 2009 (c. 10), **Sch. 11 para. 47(2)**

F3 Word in s. 56(2) substituted (with effect in accordance with Sch. 11 paras. 65-67 of the commencing Act) by Finance Act 2009 (c. 10), **Sch. 11 para. 47(3)**

F4 Word in s. 56(4) substituted (with effect in accordance with Sch. 11 paras. 65-67 of the commencing Act) by Finance Act 2009 (c. 10), **Sch. 11 para. 47(4)**

F5 Words in s. 56(5)(a) omitted (with effect in accordance with Sch. 11 paras. 65-67 of the commencing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 11 para. 47(5)**

F6 Words in s. 56(5)(a) inserted (17.7.2012) by Finance Act 2012 (c. 14), **Sch. 16 para. 143(a)**

F7 Words in s. 56(5)(b) omitted (with effect in accordance with Sch. 11 paras. 65-67 of the commencing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 11 para. 47(5)**

F8 S. 56(5)(c) and the word immediately preceding it omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 143(b)**

F9 S. 56(6) omitted (with effect in accordance with Sch. 11 paras. 65-67 of the commencing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 11 para. 47(6)**

Changes to legislation:
Corporation Tax Act 2009, Section 56 is up to date with all changes known to be in force on or before 08 October 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.
View outstanding changes

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

– Blanket amendment words substituted by S.I. 2011/1043 art. 34

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

– s. 322(2A)(zb) inserted by 2016 c. 24 s. 73(5)
– s. 1058B(5)(ea) inserted by 2023 c. 20 Sch. para. 57
– s. 1094(2A)-(2C) inserted by 2012 c. 14 Sch. 3 para. 13(3)
– s. 1106(4A)-(4C) inserted by 2012 c. 14 Sch. 3 para. 14(3)