

CORPORATION TAX ACT 2010

EXPLANATORY NOTES

INTRODUCTION

Part 6: Charitable donations relief

Chapter 1: Nature of relief

Overview

751. This Chapter allows a deduction from a company's total profits for qualifying charitable donations and explains what constitutes qualifying charitable donations. It is based on sections 338, 338A, and 339(1) of ICTA.

Section 189: Relief for qualifying charitable donations

752. This section allows qualifying charitable donations as deductions from a company's total profits. It is based on section 338 of ICTA.
753. Allowable deductions are limited to an amount which reduces the taxable total profits for a period to nil.

Section 190: Qualifying charitable donations: meaning

754. This section gives the meaning of qualifying charitable donations. It is based on sections 338A(1) to (3) and 339(1) of ICTA.
755. *Subsection (2)* rewrites both section 338A(3) and section 339(1)(b) of ICTA. These two subsections cover the same ground.
756. A similar rule is found in section 337A(1)(b) of ICTA which provides that a company's income from any source is to be computed without any deduction in respect of charges on income. This is rewritten and inserted into Chapter 1 of Part 20 of CTA 2009 (restriction of deductions) by Schedule 1 but expressed as a qualifying charitable donation rather than a charge on income.