

FINANCE ACT 2015

EXPLANATORY NOTES

INTRODUCTION

Section 30: Reliefs for Makers of Children's Television Programmes

Summary

1. This section introduces a new tax relief for producers of children's television programmes. This has effect in relation to accounting periods beginning on or after 1 April 2015.

Details of the Section

2. Subsection (1) states that Part 15A of Corporation Tax Act (CTA) 2009 is amended.
3. Subsections (2) and (3) amend section 1216AB by introducing a new category of relief for the producers of children's television programmes.
4. Subsection (4) inserts a new subsection 1216AC(2A) which defines what is meant by a children's television programme. A children's television programme is one where the primary audience consists of persons under the age of 15.
5. Subsections (5) and (6) inserts a new subsection 1216ADA which allows for children's programmes which are game or quiz shows to qualify if the prize total does not exceed £1,000.
6. Subsection (7) specifies that the amendments made by this section have effect in relation to accounting periods beginning on or after 1 April 2015.
7. Subsection (8) states that subsections (7) and (8) are to apply where a company has an accounting period starting before the 1 April 2015 and ending after that day i.e. it straddles the date of commencement and carries on activities that would fall within the definition of the new relief.
8. Subsection (9) sets out that the company profits and losses for the straddling period are to be apportioned to separate accounting periods for the purpose of calculating its corporation tax.
9. Subsection (10) provides that any amounts that are brought into account for the purpose of calculating profits and losses for corporation tax purposes during the straddling period must be apportioned to the two separate accounting periods on a just and reasonable basis.

Background Note

10. The television production tax relief was introduced by Finance Act 2013 to encourage the production of culturally British television programmes. Part 15A provides the rules for claiming tax credits on qualifying expenditure for high-end television or animation productions. This tax relief allows qualifying companies engaged in the production of

*These notes refer to the Finance Act 2015 (c.11)
which received Royal Assent on 26 March 2015*

animation, high-end television, and now children's television, (intended for release to the general public) to claim an additional deduction in computing their taxable profits. Where that additional deduction results in a loss, they may surrender that loss for a payable tax credit.