



Corporation Tax Act 2009

2009 CHAPTER 4

[^{F1}PART 15A U.K.]

TELEVISION PRODUCTION

[^{F1}CHAPTER 1 U.K.]

INTRODUCTION

Textual Amendments

- F1** Pt. 15A inserted (17.7.2003 for specified purposes, 19.7.2003 in so far as not already in force, and with effect in accordance with Sch. 16 para. 3 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 16 paras. 1, 2](#); [S.I. 2013/1817](#), art. 2(1)

Introductory

1216A Overview of Part U.K.

- (1) This Part is about television production.
- (2) Sections 1216AA to 1216AJ contain definitions and other provisions about interpretation that apply for the purposes of this Part. See, in particular—
 - (a) section 1216AB, which explains what is meant by a “relevant programme”, and
 - (b) section 1216AE, which explains how a company comes to be treated as the television production company in relation to a relevant programme.
- (3) Chapter 2 is about the taxation of the activities of a television production company and includes—
 - (a) provision for the company's activities in relation to [^{F2}each qualifying] relevant programme to be treated as a separate trade, and

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- (b) provision about the calculation of the profits and losses of that trade.
- (4) Chapter 3 is about relief (called “television tax relief”) which can be given to a television production company—
 - (a) by way of additional deductions to be made in calculating the profits or losses of the company's separate trade, or
 - (b) by way of a payment (a “television tax credit”) to be made on the company's surrender of losses from that trade.
- (5) Chapter 4 is about the relief which can be given for losses made by a television production company in its separate trade, including provision for certain such losses to be transferred to other separate trades.
- (6) Chapter 5 provides—
 - (a) for relief under Chapters 3 and 4 to be given on a provisional basis, and
 - (b) for such relief to be withdrawn if it turns out that conditions that must be met for such relief to be given are not actually met.

Textual Amendments

F2 Words in s. 1216A(3)(a) substituted (17.7.2014) by [Finance Act 2014 \(c. 26\), s. 33\(2\)](#)

Meaning of “television programme”, “relevant programme” etc

1216AA “Television programme” U.K.

- (1) This section applies for the purposes of this Part.
- (2) “Television programme” means any programme (with or without sounds) which—
 - (a) is produced to be seen on television, and
 - (b) consists of moving or still images or of legible text or of a combination of those things.
- (3) In subsection (2) “television” includes the internet.
- (4) Any television programmes that are commissioned together under the same agreement are treated as a single television programme.
- (5) A television programme is completed when it is first in a form in which it can reasonably be regarded as ready for broadcast to the general public.

1216AB “Relevant programme” U.K.

- (1) This section applies for the purposes of this Part.
- (2) A television programme is a “relevant programme” if—
 - (a) conditions A and B are met, and
 - (b) in the case of a television programme that is [^{F3}neither animation nor a children's programme], conditions C and D are met.
- (3) Condition A is that the programme is—
 - (a) a drama,

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- (b) a documentary, ^{F4}...
- (c) animation^{F5}, or
- (d) a children's programme.]

For further provision about these terms, see section 1216AC.

- (4) Condition B is that the programme is not an excluded programme (see section 1216AD).
- (5) Condition C is that the slot length in relation to the programme is greater than 30 minutes.
- (6) Condition D is that the average core expenditure per hour of slot length in relation to the programme is not less than £1 million.

For the meaning of “core expenditure”, see section 1216AG.

- (7) “Slot length”, in relation to a television programme, means the period of time which the programme is commissioned to fill.

Textual Amendments

- F3** Words in s. 1216AB(2) substituted (with effect in accordance with s. 30(7) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 30\(2\)](#)
- F4** Word in s. 1216AB(3) omitted (with effect in accordance with s. 30(7) of the amending Act) by virtue of [Finance Act 2015 \(c. 11\), s. 30\(3\)\(a\)](#)
- F5** S. 1216AB(3)(d) and word inserted (with effect in accordance with s. 30(7) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 30\(3\)\(b\)](#)

1216AC Types of programme eligible to be relevant programmes **U.K.**

- (1) This section applies for the purposes of this Part.
- (2) A programme is a “drama” if—
 - (a) it consists wholly or mainly of a depiction of events,
 - (b) the events are depicted (wholly or mainly) by one or more persons performing, and
 - (c) the whole or a major proportion of what is done by the person or persons performing, whether by way of speech, acting, singing or dancing, involves the playing of a role,and for these purposes “drama” includes comedy.

[A programme is a children's programme if, when television production activities ^{F6}(2A) begin, it is reasonable to expect that the persons who will make up the programme's primary audience will be under the age of 15.]

- (3) A drama or documentary that includes animation is to be treated as animation if the core expenditure on the completed animation constitutes at least 51% of the total core expenditure on the completed programme.

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Textual Amendments

F6 S. 1216AC(2A) inserted (with effect in accordance with s. 30(7) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 30\(4\)](#)

1216AD Excluded programmes **U.K.**

- (1) For the purposes of this Part^{F7}, but subject to section 1216ADA,^I a television programme is an excluded programme if it falls within any of the Heads set out in the following subsections—
- (a) subsection (2) (advertisements etc),
 - (b) subsection (3) (current affairs etc),
 - (c) subsection (4) (entertainment shows),
 - (d) subsection (5) (competitions),
 - (e) subsection (6) (live performances),
 - (f) subsection (7) (training programmes).
- (2) Head 1 is any advertisement or other promotional programme.
- (3) Head 2 is any news or current affairs programme or discussion programme.
- (4) Head 3 is any quiz show, game show, panel show, variety show, chat show or similar entertainment.
- (5) Head 4 is any programme consisting of or including—
- (a) a competition or contest, or
 - (b) the results of a competition or contest.
- (6) Head 5 is any broadcast of a live event or of a theatrical or artistic performance given otherwise than for the purpose of being filmed.
- (7) Head 6 is any programme produced for training purposes.

Textual Amendments

F7 Words in s. 1216AD(1) inserted (with effect in accordance with s. 30(7) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 30\(5\)](#)

^I **Certain children's programmes not to be excluded programmes **U.K.****

^{F8} 1216ADA

- (1) A children's programme is not an excluded programme for the purposes of this Part if—
- (a) the programme falls within—
 - (i) sub-head 3A set out in subsection (2), or
 - (ii) Head 4 set out in section 1216AD(5), and
 - (b) the prize total (see subsection (3)) does not exceed £1,000.
- (2) Sub-head 3A is any quiz show or game show.
- (3) “The prize total” for a programme is the total of—
- (a) the amount of each relevant prize that is a money prize, and

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- (b) the amount spent on each other relevant prize by, or on behalf of, its provider, and here “relevant prize” means a prize offered in connection with participation in a quiz, game, competition or contest in, or promoted by, the programme.
- (4) The Treasury may by regulations amend subsection (1)(b) for the purpose of increasing the amount of the money limit for the time being specified in subsection (1)(b).]

Textual Amendments

- F8** S. 1216ADA inserted (with effect in accordance with s. 30(7) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 30\(6\)](#)

Other interpretation

1216AE Television production company **U.K.**

- (1) For the purposes of this Part “television production company” is to be read in accordance with this section.
- (2) There cannot be more than one television production company in relation to a relevant programme.
- (3) A company is the television production company in relation to a relevant programme if the company (otherwise than in partnership)—
- (a) is responsible—
 - (i) for pre-production, principal photography and post- production of the programme, and
 - (ii) for delivery of the programme,
 - (b) is actively engaged in production planning and decision-making during pre-production, principal photography and post-production, and
 - (c) directly negotiates, contracts and pays for rights, goods and services in relation to the programme.
- (4) A company is the television production company in relation to a relevant programme that is a qualifying co-production if the company (otherwise than in partnership)—
- (a) is a co-producer, and
 - (b) makes an effective creative, technical and artistic contribution to the programme.
- (5) If there is more than one company meeting the description in subsection (3) or (4), the company that is most directly engaged in the activities referred to in that subsection is the television production company in relation to the relevant programme.
- (6) If there is no company meeting the description in subsection (3) or (4), there is no television production company in relation to the relevant programme.
- (7) A company may elect to be regarded as a company which does not meet the description in subsection (3) or (4).
- (8) The election—

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- (a) must be made by the company by being included in its company tax return for an accounting period (and may be included in the return originally made or by amendment), and
 - (b) may be withdrawn by the company only by amending its company tax return for that accounting period.
- (9) The election has effect in relation to relevant programmes which commence principal photography in that or any subsequent accounting period.

1216AF “Television production activities” etc U.K.

- (1) In this Part “television production activities”, in relation to a relevant programme, means the activities involved in development, pre-production, principal photography and post-production of the programme.
- (2) If all or any of the images in a relevant programme are generated by computer, references in this Part to principal photography are to be read as references to, or as including, the generation of those images.
- (3) The Treasury may by regulations—
 - (a) amend subsections (1) and (2),
 - (b) provide that specified activities are or are not to be regarded as television production activities or as television production activities of a particular description, and
 - (c) provide that, in relation to a specified description of relevant programme, references to television production activities of a particular description are to be read as references to such activities as may be specified.

“Specified” means specified in the regulations.

1216AG “Production expenditure” and “core expenditure” U.K.

- (1) This section applies for the purposes of this Part.
- (2) “Production expenditure”, in relation to a relevant programme, means expenditure on television production activities in connection with the programme.
- (3) “Core expenditure”, in relation to a relevant programme, means production expenditure on pre-production, principal photography and post-production of the programme.

1216AH “UK expenditure” etc U.K.

- (1) In this Part “UK expenditure”, in relation to a relevant programme, means expenditure on goods or services that are used or consumed in the United Kingdom.
- (2) Any apportionment of expenditure as between UK expenditure and non-UK expenditure for the purposes of this Part is to be made on a just and reasonable basis.
- (3) The Treasury may by regulations amend subsection (1).

1216AI “Qualifying co-production” and “co-producer” U.K.

In this Part—

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- (a) “qualifying co-production” means a relevant programme that is eligible to be certified as a British programme under section 1216CB as a result of an agreement between Her Majesty's Government in the United Kingdom and any other government, international organisation or authority, and
- (b) “co-producer” means a person who is a co-producer for the purposes of the agreement mentioned in paragraph (a).

1216AJ “Company tax return” U.K.

In this Part “company tax return” has the same meaning as in Schedule 18 to FA 1998 (see paragraph 3(1)).]

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