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SCHEDULES

SCHEDULE 5

COMPANIES' CHARGEABLE GAINS: TRANSITIONAL PROVISIONS

PART I

GENERAL RULES

Advance corporation tax and liability of small companies.

- 3 (1) This paragraph has effect to determine for the purposes of section 85 the income of the company charged to corporation tax for the straddling period and, accordingly (by virtue of subsection (8) of section 95), the income of the company for that period for the purposes of section 95.
- (2) For the straddling period, subsection (6) of section 85 (meaning of the income of the company charged to tax for any period) shall have effect as if—
- (a) the reference to the part of the profits attributable to chargeable gains were a reference only to the part of the profits attributable to chargeable gains of the first component period; and
 - (b) the reference to the amount brought into the company's profits for that period for the purposes of corporation tax in respect of chargeable gains were a reference to the amount computed for the first component period under paragraph 2(3) above.
- (3) As it applies to the straddling period, the reference in subsection (8) of section 95 to subsection (6) of section 85 shall be construed as a reference to that subsection as it has effect by virtue of sub-paragraph (2) above.