

SCHEDULES

SCHEDULE 6

Section 95.

MANAGEMENT PROVISIONS: SUPPLEMENTARY AND CONSEQUENTIAL PROVISIONS

Companies' capital gains.

- 1 (1) With respect to chargeable gains accruing in accounting periods ending after the appointed day, section 266 of the Taxes Act (corporation tax attributable to chargeable gains: recovery from shareholder) shall be amended as follows.
- (2) In subsection (2) for the words “the date when it becomes payable by the company” there shall be substituted “the date determined under subsection (2A) below”.
- (3) After subsection (2) there shall be inserted the following subsection—
- “(2A) The date referred to in subsection (2) above is whichever is the later of—
- (a) the date when the tax becomes due and payable by the company; and
- (b) the date when the assessment was made on the company.”
- (4) In subsection (3) for the words from “a sum” onwards there shall be substituted “from the company a sum equal to that amount together with any interest paid by him under section 87A of the Taxes Management Act 1970 on that amount”.
- 2 With respect to chargeable gains accruing in accounting periods ending after the appointed day, in subsection (3C) of section 267 of the Taxes Act (company reconstruction or amalgamation: transfer of assets)—
- (a) for the words “when it is payable” there shall be substituted “when it is due and payable or, if later, the date when the assessment is made on the company”;
- (b) for the words “the time when the tax became payable” there shall be substituted “the later of those dates”; and
- (c) for the words from “a sum” onwards there shall be substituted “from the chargeable company a sum equal to that amount together with any interest paid by him under section 87A of the Taxes Management Act 1970 on that amount”.
- 3 (1) With respect to chargeable gains accruing in accounting periods ending after the appointed day, section 277 of the Taxes Act (tax on company recoverable from other members of group) shall be amended as follows.
- (2) In subsection (1) for the words “the date when it becomes payable by the company” there shall be substituted “the date determined under subsection (1A) below” and for the words “the time when the tax became payable” there shall be substituted “the date determined under subsection (1A) below”.
- (3) After subsection (1) there shall be inserted the following subsection—
- “(1A) The date referred to in subsection (1) above is whichever is the later of—

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- (a) the date when the tax becomes due and payable by the company; and
 - (b) the date when the assessment is made on the company.”
- (4) After subsection (2) there shall inserted the following subsection—
- “(2A) Any reference in subsection (2) above to an amount of tax includes a reference to any interest paid under section 87A of the Taxes Management Act 1970 on that amount.”
- 4 (1) Section 278 of the Taxes Act (company ceasing to be member of a group) shall be amended as follows.
- (2) In subsection (3) at the beginning of the words following paragraph (b) there shall be inserted “then, subject to subsection (3A) below”, and after that subsection there shall be inserted the following subsection—
- “(3A) Any chargeable gain or allowable loss which, apart from this subsection, would accrue to the chargeable company on the sale referred to in subsection (3) above shall be treated as accruing to the chargeable company as follows—
- (a) for the purposes for which the assumptions in section 262(2) of this Act apply, it shall be assumed to accrue in the notional or actual accounting period which ends when the company ceases to be a member of the group; and
 - (b) subject to paragraph (a) above, it shall be treated as accruing immediately before the company ceases to be a member of the group.”
- (3) In subsection (5)—
- (a) the words “of the”, in the first place where they occur, shall be omitted;
 - (b) for the words “the date when it becomes payable” there shall be substituted “the date determined under subsection (5A) below”;
 - (c) for the words “the time when the tax became payable” there shall be substituted “the said date”; and
 - (d) for the words “a sum” onwards there shall be substituted “from the chargeable company a sum equal to that amount together with any interest paid by the company concerned under section 87A of the Taxes Management Act 1970 on that amount”.
- (4) After subsection (5) there shall be inserted the following subsection—
- “(5A) The date referred to in subsection (5) above is whichever is the later of—
- (a) the date when the tax becomes due and payable by the company; and
 - (b) the date when the assessment was made on the chargeable company.”
- (5) In subsection (6) the words from the beginning to “group, and” shall be omitted.
- (6) This paragraph has effect where the accounting period in which the chargeable company ceases to be a member of the group ends after the appointed day.
- 5 (1) With respect to chargeable gains accruing in chargeable periods ending after the appointed day, section 87 of the Capital Gains Tax Act 1979 (restriction on application of sections 85 and 86 of that Act) shall be amended as follows.

- (2) In subsection (4)—
- (a) for the words “the date when it is payable” there shall be substituted “the date determined under subsection (4A) below”;
 - (b) for the words “the time when the tax became payable” there shall be substituted “that date”; and
 - (c) for the words from “a sum” onwards there shall be substituted “from the chargeable person a sum equal to that amount together with any interest paid by him under section 87A of the Taxes Management Act 1970 on that amount”.
- (3) After subsection (4) there shall be inserted the following subsection—
- “(4A) The date referred to in subsection (4) above is whichever is the later of—
- (a) the date when the tax becomes due and payable by the chargeable person; and
 - (b) the date when the assessment was made on the chargeable person.”

Relief for unremittable income.

- 6 (1) Section 418 of the Taxes Act (relief for unremittable income) shall be amended as follows.
- (2) At the beginning of subsection (2) there shall be inserted the words “Subject to subsection (2A) below”.
- (3) After subsection (2) there shall be inserted the following subsections—
- “(2A) Where the tax chargeable is corporation tax, subsection (2) above shall have effect as if—
- (a) for the word “assessed”, in the second place where it occurs, there were substituted “assessable”;
 - (b) for the words from “on the Board ceasing” to “take account” there were substituted “on the said conditions ceasing to be satisfied as respects any part of the income, it shall be treated as income arising on the date when those conditions cease to be satisfied with respect to it and account shall be taken”; and
 - (c) for the words from “the date” onwards there were substituted “that date”.
- (2B) Where a company becomes chargeable to corporation tax in respect of income from any source by virtue of subsections (2) and (2A) above after it has ceased to possess that source of income, the income shall be chargeable under Case VI of Schedule D.”
- (4) In subsection (5) for the words “subsection (2)” there shall be substituted “subsections (2) and (2A)”.
- (5) This paragraph has effect where the accounting period in which the conditions in subsection (2) of section 418 cease to be satisfied in relation to any income ends after the appointed day.

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Charges on non-residents.

- 7 With respect to tax in respect of accounting periods ending after the appointed day and interest on such tax, at the end of section 85 of the Management Act (application to corporation tax of provisions of Part VIII of that Act) there shall be added the following subsection—

“(2) Subsection (2) of section 83 above shall apply—

- (a) to corporation tax to which a person is chargeable in respect of a non-resident company and which has become due and payable without the making of an assessment; and
- (b) to interest to which he is chargeable on such tax under section 87A below,

as it applies (by virtue of subsection (1) above) to corporation tax which has been assessed on him in respect of such a company.”

Lloyd's underwriting agents.

- 8 (1) The Treasury may by regulations made by statutory instrument modify any of the provisions specified in sub-paragraph (2) below in their application to companies permitted by the Council of Lloyd's to act as underwriting agents at Lloyd's.
- (2) The provisions referred to in subsection (1) above are—
- (a) section 11 of the Management Act (return of profits);
 - (b) section 87A of that Act (interest on overdue corporation tax); and
 - (c) section 243(4) of the Taxes Act (date for payment of corporation tax).
- (3) A statutory instrument made under this paragraph shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (4) This paragraph has effect with respect to accounting periods ending after the appointed day.