



Finance (No.2) Act 1987

1987 CHAPTER 51

PART I

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER IV

CAPITAL GAINS

Companies' chargeable gains

75 Life assurance business.

- (1) In Schedule 18 to the Finance Act 1972 (taxation of insurance companies) in paragraph 2(4) (modifications of section 85 of that Act)—
 - (a) for the word “income”, in the first place where it occurs, there shall be substituted “profits”; and
 - (b) for the words from “an amount” onwards there shall be substituted “deducting therefrom such fraction thereof as is equal to the fraction of the profits of the company in respect of its life assurance business which, under section 309 of the Taxes Act, is excluded from the computation of those profits or would be so excluded if the profits were computed in accordance with the provisions applicable to Case I of Schedule D”.
- (2) In subsection (2) of section 26 of the Finance Act 1974 (corporation tax on balance of policy holders' share of life assurance gains)—
 - (a) for the words from the beginning to “that share” there shall be substituted “Corporation tax charged on so much of the policy holders' share of the life assurance gains”; and
 - (b) for the words from “as if” onwards there shall be substituted “on the basis of a rate of corporation tax of 30 per cent”.
- (3) In subsection (3) of the said section 26—

***Status:** This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.*

- (a) in paragraph (a) the words “so much of” and the words from “as remains” to “1972” shall be omitted; and
 - (b) in paragraph (b) the words “as so reduced” shall be omitted.
- (4) Subsections (1) to (3) above have effect with respect to accounting periods beginning on or after 17th March 1987.