

Changes to legislation: Finance Act 1998, Paragraph 8 is up to date with all changes known to be in force on or before 10 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

SCHEDULES

SCHEDULE 18

COMPANY TAX RETURNS, ASSESSMENTS AND RELATED MATTERS

Modifications etc. (not altering text)

- C1 Sch. 18 restricted (31.7.1998) by 1988 c. 1, s. 754B(10) (as inserted (31.7.1998 with effect as mentioned in Sch. 17 para. 37 of 1998 c. 36) by 1998 c. 36, s. 113, Sch. 17 para. 11)
- C1 Sch. 18 modified (18.4.2005) by Commissioners for Revenue and Customs Act 2005 (c. 11), s. 53(1), Sch. 4 para. 68(c); S.I. 2005/1126, art. 2(2)(h)
- C1 Sch. 18 applied (20.7.2005) by Finance (No. 2) Act 2005 (c. 22), s. 61
- C1 Sch. 18 applied (with modifications) (6.4.2006) by The Registered Pension Schemes (Accounting and Assessment) Regulations 2005 (S.I. 2005/3454), regs. 1, 13
- C1 Sch. 18 excluded (17.7.2013) by Finance Act 2013 (c. 29), s. 210(6)(b)
- C1 Sch. 18: power to amend conferred (12.2.2019) by Finance Act 2019 (c. 1), s. 87(5)(a)(6)
- C1 Sch. 18 applied (with modifications) (22.7.2020) by Finance Act 2020 (c. 14), Sch. 16 para. 11(4) (with Sch. 16 para. 11(5))
- C1 Sch. 18 applied (with modifications) (11.7.2023) by Finance (No. 2) Act 2023 (c. 30), s. 303(7)(8) (with s. 303(6))

PART II

COMPANY TAX RETURN

Calculation of tax payable

- 8 (1) The amount of tax payable for an accounting period is calculated as follows.

First step

Calculate the corporation tax chargeable on the company's profits:

- 1 Take the amount of the company's profits for that period on which corporation tax is chargeable [^{F1}(see section 4(1) and (2) of the Corporation Tax Act 2010)].
- 2 Apply the rate or rates of corporation tax applicable to the company [^{F2}(other than the restitution payments rate)].

Second step

Then give effect to any reliefs or set-offs available against corporation tax chargeable on profits:

- 1 Any reduction under [^{F3}Part 3A or Chapter 3A of Part 8 of the Corporation Tax Act 2010 (marginal relief for companies with small profits)].

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- 1A [^{F4}Any relief under Part V of Schedule 15 to the Finance Act 2000 (corporate venturing scheme: investment relief).]
- 1B [^{F5}Any relief under [^{F6}Part 7 of the Corporation Tax Act 2010] (community investment tax relief).]
- 2 Any double taxation relief under [^{F7}under sections 2 and 6 of TIOPA 2010 or under section 18(1)(b) and (2) of that Act].
- 3 Any set off for advance corporation tax under section 239 of [^{F8}the Taxes Act 1988] or under regulations made under section 32 of this Act.

Third step

Then add any amounts assessable or chargeable as if they were corporation tax (reduced by any reliefs specific to those amounts):

- 1 Any amount due under [^{F9}section 455 [^{F10}or 464A] of the Corporation Tax Act 2010] (tax on a loan [^{F11}, advance or benefit] to a participator).
- 1ZA [^{F12}Any sum chargeable under section 269DA of that Act (surcharge on banking companies).]
- 1A [^{F13}Any sum chargeable under [^{F14}section 330(1)] of that Act (supplementary charge in respect of ring fence trades).]
- 2 [^{F15}Any sum charged at step 5 in section 371BC(1) of the Taxation (International and Other Provisions) Act 2010 (controlled foreign companies).]
- 3 [^{F16}Any amount of the bank levy chargeable by virtue of paragraph 50 or 51 of Schedule 19 to the Finance Act 2011 (the bank levy).]
- 4 [^{F17}Any amount of residential property developer tax chargeable by virtue of section 33 of the Finance Act 2022.]
- 5 [^{F18}Any amount chargeable by virtue of section 1 of the Energy (Oil and Gas) Profits Levy Act 2022.]

Fourth step

Then deduct any amounts to be set off against the company's overall tax liability for that period:

- 1 Any amount to be set off under [^{F19}section 967 or 968 of the Corporation Tax Act 2010] (income tax borne by deduction).
- 2 Any amount to be set off under section 246N or 246Q of [^{F20}the Taxes Act 1988] (advance corporation tax paid in respect of foreign income dividend).

[^{F21}Fifth step

Calculate the corporation tax chargeable on any profits of the company that are charged as restitution interest.

- 1 Find the amount in respect of which the company is chargeable for the period under the charge to corporation tax on income under Part 8C of CTA 2010.
- 2 Apply the restitution payments rate in accordance with section 357YK(1) of that Act.

The amount of tax payable for the accounting period is the sum of the amounts resulting from the first to fourth steps and this step.]

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[^{F22}(1A) Sub-paragraph (1B) applies if an amount of the bank levy chargeable by virtue of paragraph 50 or 51 of Schedule 19 to the Finance Act 2011 (the bank levy) is added at the third step.

(1B) Any deductions made at the fourth step are to be treated as made from all other amounts before being made from the amount of the bank levy.]

(2) Except as otherwise provided, references in this Schedule to the amount of tax payable by a company for an accounting period are to the amount shown in the company's self-assessment as the amount payable.

Textual Amendments

- F1** Words in Sch. 18 para. 8(1) inserted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 297(4)(a)** (with Sch. 2)
- F2** Words in Sch. 18 para. 8 inserted (with effect in accordance with s. 38(9)-(12) of the amending Act) by Finance (No. 2) Act 2015 (c. 33), **s. 38(5)(a)**
- F3** Words in Sch. 18 para. 8(1) substituted (with effect in accordance with Sch. 1 para. 34 of the amending Act) by Finance Act 2021 (c. 26), **Sch. 1 para. 12**
- F4** Words in Sch. 18 para. 8(1) inserted (28.7.2000 with application as mentioned in s. 63(4) of the amending Act) by 2000 c. 17, s. 63(2), **Sch. 16 para. 5(2)**
- F5** Words in Sch. 18 para. 8(1) inserted (24.7.2002 with effect as mentioned in s. 57(4)(c) of the amending Act) by 2002 c. 23, s. 57, **Sch. 17 para. 5**
- F6** Words in Sch. 18 para. 8(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 297(4)(c)** (with Sch. 2)
- F7** Words in Sch. 18 para. 8(1) substituted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 54(2)(a)** (with Sch. 9 paras. 1-9, 22)
- F8** Words in Sch. 18 para. 8(1) substituted (with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), **Sch. 8 para. 54(2)(b)** (with Sch. 9 paras. 1-9, 22)
- F9** Words in Sch. 18 para. 8(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 297(4)(d)** (with Sch. 2)
- F10** Words in Sch. 18 para. 8(1) inserted (retrospective to 20.3.2013) by Finance Act 2013 (c. 29), **Sch. 30 para. 13(3)(a)(5)**
- F11** Words in Sch. 18 para. 8(1) substituted (retrospective to 20.3.2013) by Finance Act 2013 (c. 29), **Sch. 30 para. 13(3)(b)(5)**
- F12** Words in Sch. 18 para. 8(1) inserted (with effect in accordance with Sch. 3 Pt. 3 of the amending Act) by Finance (No. 2) Act 2015 (c. 33), **Sch. 3 para. 3(3)**
- F13** Words in Sch. 18 para. 8(1) inserted (24.7.2002) by 2002 c. 23, **s. 92(4)**
- F14** Words in Sch. 18 para. 8(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 297(4)(e)** (with Sch. 2)
- F15** Words in Sch. 18 para. 8(1) substituted (17.7.2012) by Finance Act 2012 (c. 14), **Sch. 20 para. 17(3)** (with Sch. 20 para. 50(9))
- F16** Words in Sch. 18 para. 8(1) inserted (19.7.2011) by Finance Act 2011 (c. 11), **Sch. 19 para. 63(2)**
- F17** Words in Sch. 18 para. 8(1) inserted (in relation to accounting periods beginning on or after 1.4.2022) by Finance Act 2022 (c. 3), s. 51(1), **Sch. 8 para. 2(4)**
- F18** Words in Sch. 18 para. 8(1) inserted (14.7.2022) by Energy (Oil and Gas) Profits Levy Act 2022 (c. 40), **Sch. 2 para. 2(4)** (with ss. 15(1), 16(1))
- F19** Words in Sch. 18 para. 8(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 297(4)(g)** (with Sch. 2)
- F20** Words in Sch. 18 para. 8(1) substituted (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 1 para. 297(4)(h)** (with Sch. 2)

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- F21** Words in Sch. 18 para. 8 inserted (with effect in accordance with s. 38(9)-(12) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\), s. 38\(5\)\(b\)](#)
- F22** Sch. 18 para. 8(1A)(1B) inserted (19.7.2011) by [Finance Act 2011 \(c. 11\), Sch. 19 para. 63\(3\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 18 para. 52(2B)(b)-(d) omitted by [2024 c. 3 Sch. 2 para. 10\(3\)](#)
- Sch. 18 Pt. 9C repealed by [2009 c. 4 Sch. 1 para. 454\(1\)](#)[Sch. 3 Pt. 1](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 18 Pt. 9C repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 454(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2))
- Sch. 18 Pt. 9C title substituted by [2006 c. 25 Sch. 3 para. 9](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 18 Pt. 9C repealed (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 454(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2))