



Finance Act 2006

2006 CHAPTER 25

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 3

FILMS AND SOUND RECORDINGS

Films: withdrawal of existing reliefs

46 Films: withdrawal of existing reliefs (corporation tax)

- (1) Sections 40A to 40D of F(No.2)A 1992 (treatment of expenditure on production or acquisition of film) do not apply—
 - (a) to production expenditure on a film that commences principal photography on or after 1st April 2006;
 - (b) to acquisition expenditure—
 - (i) on a film that commences principal photography on or after 1st April 2006, or
 - (ii) that is incurred on or after 1st October 2007 on a film (whenever made).
- (2) Section 41 of that Act (preliminary expenditure) does not apply to expenditure incurred after the date on which this Act is passed.
- (3) Section 42 of that Act and section 48 of F(No.2)A 1997 (special reliefs for British films) do not apply—
 - (a) to production expenditure on a film that commences principal photography on or after 1st April 2006;
 - (b) to acquisition expenditure—

Status: This is the original version (as it was originally enacted).

- (i) on a film that commences principal photography on or after 1st April 2006, or
 - (ii) that is incurred on or after 1st October 2007.
- (4) References in this section to expenditure on the acquisition of a film, or to sums received from the disposal of a film, are to expenditure on the acquisition of, or sums received from the disposal of, the original master version of the film.
- (5) For this purpose—
- (a) “original master version” means the original negative, tape or disc;
 - (b) references to the original master version of a film include the original master version of the film soundtrack (if any);
 - (c) references to the original master version include any rights in the original master version that are held or acquired with it.

47 Films: withdrawal of existing reliefs (income tax)

- (1) Sections 134 and 135 of ITTOIA 2005 (treatment of expenditure on production or acquisition of film) do not apply—
- (a) to production expenditure on a film that commences principal photography on or after 1st April 2006;
 - (b) to acquisition expenditure—
 - (i) on a film that commences principal photography on or after 1st April 2006, or
 - (ii) that is incurred on or after 1st October 2007 on a film (whenever made).
- (2) Section 137 of that Act (preliminary expenditure) does not apply to expenditure incurred after the date on which this Act is passed.
- (3) Sections 138 to 144 of that Act (special reliefs for British films) do not apply—
- (a) to production expenditure on a film that commences principal photography on or after 1st April 2006;
 - (b) to acquisition expenditure—
 - (i) on a film that commences principal photography on or after 1st April 2006, or
 - (ii) that is incurred on or after 1st October 2007.
- (4) References in this section to expenditure on the acquisition of a film, or to sums received from the disposal of a film, are to expenditure on the acquisition of, or sums received from the disposal of, the original master version of the film.
- (5) For this purpose—
- (a) “original master version” means the original negative, tape or disc;
 - (b) references to the original master version of a film include the original master version of the film soundtrack (if any);
 - (c) references to the original master version include any rights in the original master version that are held or acquired with it.