



# 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*

#### **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 [<sup>F1</sup>1st January 2007] ;
  - (b) to acquisition expenditure—
    - (i) on a film that commences principal photography on or after [<sup>F1</sup>1st January 2007], 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 [<sup>F1</sup>1st January 2007];
  - (b) to acquisition expenditure—
    - (i) on a film that commences principal photography on or after [<sup>F1</sup>1st January 2007], or

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Section 47. (See end of Document for details)*

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(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.

[<sup>F2</sup>(6) The provisions of sections 1181 to 1187 of CTA 2009 apply for the purposes of this section as if this section were contained in Part 15 of that Act.]

#### **Textual Amendments**

- F1** Words in s. 47(1)(a)(b)(i)(3)(a)(b)(i) substituted (29.12.2006) by The Finance Act 2006, Section 53(2) (Films and Sound Recordings: Power to alter Dates) Order 2006 (S.I. 2006/3265), {art. 2}
- F2** S. 47(6) inserted (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. 679** (with Sch. 2 Pts. 1, 2)

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2006, Section 47.