

*These notes refer to the Corporation Tax Act 2009
(c.4) which received Royal Assent on 26 March 2009*

CORPORATION TAX ACT 2009

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 18: Unremittable income

Overview

Section 1276: Withdrawal of relief

3267. This section brings together the consequences both of unremittable income becoming remittable and of a payment being made by the Export Credits Guarantee Department. It is based on section 584(2A) and (5) of ICTA. The corresponding rule for income tax is in section 843 of ITTOIA.
3268. *Subsections (3) and (5)* set out when, and at what value, income ceasing to be unremittable is treated as arising. Income so treated as arising is charged under the provision appropriate to the income type (or types) that would have applied to the income when it arose but for the relief.
3269. *Subsection (4)* provides that, when an ECGD payment is made, income is treated as arising at that time to the extent of the payment. This reflects the intention of the legislation as originally drafted. Amendments made by FA 1996 obscured the point. See *Change 91* in Annex 1. *Subsection (5)* deals with the value of that income.
3270. *Subsection (6)* prevents a double charge under this section. For example, if relief has already been withdrawn because an ECGD payment has been received, there is no further charge – to the extent of that payment – if the income itself subsequently becomes remittable.