



Corporation Tax Act 2009

2009 CHAPTER 4

PART 9 U.K.

INTELLECTUAL PROPERTY: KNOW-HOW AND PATENTS

CHAPTER 3 U.K.

SALES OF PATENT RIGHTS

Spreading of charge to tax

914 UK resident companies: proceeds of sale not received in instalments U.K.

- (1) This section applies if a company liable for tax under section 912—
 - (a) is UK resident, and
 - (b) does not receive the proceeds of sale in instalments.
- (2) The appropriate fraction of the amount chargeable is taxed—
 - (a) in the accounting period in which the company receives the proceeds of sale (“the period of receipt”), and
 - (b) in successive accounting periods, until the expiry of the 6-year period beginning at the start of the period of receipt.
- (3) The appropriate fraction is the same fraction of the amount chargeable as the accounting period in question is of 6 years (or, in the last period, such smaller fraction of that amount as has not already been taxed).
- (4) The company may elect that the whole of the amount chargeable is to be taxed instead in the period of receipt.
- (5) An election under subsection (4) must be made within the two-year period beginning at the end of the period of receipt.

Status: Point in time view as at 01/04/2009.

Changes to legislation: Corporation Tax Act 2009, Cross Heading: Spreading of charge to tax is up to date with all changes known to be in force on or before 12 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)

915 UK resident companies: proceeds of sale received in instalments U.K.

- (1) This section applies if a company liable for tax under section 912—
 - (a) is UK resident, and
 - (b) receives the proceeds of sale in instalments.
- (2) The appropriate fraction of the amount chargeable in respect of each instalment is taxed—
 - (a) in the accounting period in which the company receives the instalment (“the period of receipt”), and
 - (b) in successive accounting periods, until the expiry of the 6-year period beginning at the start of the period of receipt.
- (3) The appropriate fraction of the amount chargeable in respect of an instalment is the same fraction of that amount as the accounting period in question is of 6 years (or, in the last period, such smaller fraction of the amount as has not already been taxed).
- (4) The company may elect that the whole of any instalment is to be taxed instead in the period of receipt.
- (5) An election under subsection (4) must be made within the two-year period beginning at the end of the period of receipt.

916 Non-UK resident companies: proceeds of sale not received in instalments U.K.

- (1) This section applies if a company liable for tax under section 912—
 - (a) is not UK resident, and
 - (b) does not receive the proceeds of sale in instalments.
- (2) The whole of the amount chargeable is taxed in the accounting period in which the company receives the proceeds (“the period of receipt”).
- (3) The company may elect instead that the amount chargeable—
 - (a) is to be treated as arising rateably in the accounting periods ending 6 years from the start of the period of receipt, and
 - (b) is taxed accordingly.
- (4) An election under subsection (3) must be made within the two-year period beginning at the end of the period of receipt.
- (5) The election has effect in relation to accounting periods of the company during which the company is within the charge to corporation tax in respect of any proceeds of the sale not consisting of a capital sum.
- (6) Such repayments and assessments are to be made for each of the accounting periods affected as are necessary to give effect to the election.
- (7) Subsection (6) is subject to the qualifications in section 920 (adjustments where tax has been deducted).

917 Non-UK resident companies: proceeds of sale received in instalments U.K.

- (1) This section applies if a company liable for tax under section 912—
 - (a) is not UK resident, and

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- (b) receives the proceeds of sale in instalments.
- (2) The amount chargeable in respect of each instalment is taxed in the accounting period in which the company receives the instalment (“the period of receipt”).
- (3) The company may, for any instalment, elect instead that the amount chargeable in respect of the instalment—
 - (a) is to be treated as arising rateably in the accounting periods ending 6 years from the start of the period of receipt, and
 - (b) is taxed accordingly.
- (4) An election under subsection (3) must be made within the two-year period beginning at the end of the period of receipt.
- (5) The election has effect in relation to accounting periods of the company during which the company is within the charge to corporation tax in respect of any proceeds of the sale not consisting of a capital sum.
- (6) Such repayments and assessments are to be made for each of the accounting periods affected as are necessary to give effect to the election.
- (7) Subsection (6) is subject to the qualifications in section 920 (adjustments where tax has been deducted).

918 Winding up of a body corporate U.K.

- (1) If a body corporate which is liable for tax under section 912 commences to be wound up, any amounts falling within subsection (2) are taxed in the accounting period in which the winding up commences.
- (2) The amounts are—
 - (a) any amounts which would have been chargeable in later accounting periods under section 914(2) or 915(2) (UK resident companies: spreading of charge to tax), and
 - (b) any amounts which would have been chargeable in later accounting periods under section 916(3) or 917(3) (non-UK resident companies: election to spread charge to tax).

Status:

Point in time view as at 01/04/2009.

Changes to legislation:

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