



# Corporation Tax Act 2009

## 2009 CHAPTER 4

### PART 3

#### TRADING INCOME

### CHAPTER 9

#### TRADE PROFITS: OTHER SPECIFIC TRADES

##### *Sound recordings*

#### **151 Allocation of expenditure**

- (1) This section applies in calculating for corporation tax purposes the profits or losses of a company from a trade if—
  - (a) the trade consists of or includes the exploitation of original master versions of sound recordings, and
  - (b) the original master versions do not constitute trading stock of the trade as defined by section 163.
- (2) Expenditure that—
  - (a) is incurred on the production or acquisition of the original master version of a sound recording, and
  - (b) is of a revenue nature (whether as a result of section 150 or otherwise),must be allocated to relevant periods in accordance with this section.
- (3) The company must allocate to a relevant period so much of the expenditure as is just and reasonable having regard to—
  - (a) the amount of the expenditure that remains unallocated at the beginning of the period,
  - (b) the proportion that the estimated value of the original master version of the sound recording that is realised in that period (whether by way of income or

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**Status:** Point in time view as at 01/04/2009.

**Changes to legislation:** Corporation Tax Act 2009, Section 151 is up to date with all changes known to be in force on or before 26 July 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)

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- otherwise) bears to the total value so realised and the estimated remaining value of the original master version at the end of the period, and
- (c) the need to bring the whole of the expenditure into account over the time during which the value of the original master version is expected to be realised.
- (4) The company may also allocate to a relevant period a further amount, so long as the total amount allocated does not exceed the value of the original master version of the sound recording realised in that period (whether by way of income or otherwise).

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