



# Corporation Tax Act 2010

## 2010 CHAPTER 4

### PART 7 **U.K.**

#### COMMUNITY INVESTMENT TAX RELIEF

### CHAPTER 1 **U.K.**

#### INTRODUCTION

#### *CITR*

#### 218 **Meaning of “CITR” **U.K.****

This Part provides for community investment tax relief (“CITR”), that is, entitlement to tax reductions in respect of amounts invested by companies in community development finance institutions.

#### 219 **Eligibility for CITR **U.K.****

- (1) A company (“the investor”) which makes an investment (“the investment”) in a body is eligible for CITR in respect of the investment if—
  - (a) at the time the investment is made the body is accredited as a community development finance institution under Chapter 2 of Part 7 of ITA 2007,
  - (b) the investment is a qualifying investment (see Chapter 2 of this Part), and
  - (c) the general conditions of Chapter 3 of this Part are met.
- (2) In this Part references to “the CDFI” are to the body in which the investment is made.

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*Changes to legislation:* Corporation Tax Act 2010, Cross Heading: CITR is up to date with all changes known to be in force on or before 16 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) View outstanding changes

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## 220 Form and amount of CITR **U.K.**

- (1) If the investor is eligible for CITR in respect of the investment, the investor may make a claim in respect of the investment for any one or more of the relevant accounting periods.
- (2) If the investor makes a claim for a relevant accounting period, the investor is entitled to a reduction in the amount of its liability for corporation tax for that period.
- [<sup>F1</sup>(3) The amount of that reduction for the relevant accounting period is 5% of the invested amount in respect of the investment for the period.]
- (4) For [<sup>F2</sup>the purposes of this section and section 220A ] the “relevant” accounting periods are—
  - (a) the accounting period in which the investment date falls, and
  - (b) each of the accounting periods in which the subsequent 4 anniversaries of that date fall.
- (5) The investor is entitled to make a claim for CITR for a relevant accounting period if—
  - (a) the investor considers that the conditions for the CITR are for the time being met, and
  - (b) the investor has received a tax relief certificate (see section 229) relating to the investment from the CDFI,
 but a claim may not be made before the end of the accounting period to which the claim relates.
- (6) Subsection (5) is subject to the following provisions—
  - (a) section 236 (loans: no claim after disposal or excessive repayments or receipts of value),
  - (b) section 237 (securities or shares: no claim after disposal or excessive receipts of value),
  - (c) section 238 (no claim after loss of accreditation by the CDFI), and
  - (d) section 239 (accreditation of investor).

### Textual Amendments

- F1** S. 220(3) substituted (with effect in accordance with Sch. 27 para. 12 of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 27 para. 8\(2\)](#)
- F2** Words in s. 220(4) substituted (with effect in accordance with Sch. 27 para. 12 of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 27 para. 8\(3\)](#)

## [<sup>F3</sup>220A Carry forward of CITR **U.K.**

- (1) This section applies if—
  - (a) the investor is entitled to a reduction in its liability for corporation tax for a relevant accounting period under section 220 in respect of the investment, but
  - (b) the amount of the reduction is not fully deducted at Step 2 for that relevant accounting period.
- (2) The amount (“the excess amount”) not deducted is treated as follows.
- (3) For each subsequent relevant accounting period for which the investor—

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- (a) is entitled to a reduction in its liability for corporation tax under section 220 in respect of the investment, and
  - (b) makes a claim under this subsection,
- the investor is also entitled to a reduction in its liability for corporation tax under this subsection.
- (4) The amount of the reduction under subsection (3) for any relevant accounting period is the excess amount so far as it has not been deducted at Step 2 for any earlier relevant accounting period by virtue of that subsection.
- (5) In this section “Step 2” means the second step in paragraph 8(1) of Schedule 18 to FA 1998 (calculation of tax payable).]

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#### Textual Amendments

**F3** S. 220A inserted (with effect in accordance with Sch. 27 para. 12 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 27 para. 9](#)

#### [<sup>F4</sup>220B Limit on State aid **U.K.**

- (1) The reductions that may be made in the amount of the investor's liability for corporation tax under section 220 or 220A for an accounting period (“the current accounting period”) are limited as follows.
- (2) The sum of the following amounts must not exceed [euro]200,000—
- (a) so far as it represents aid granted to the investor, the total amount of reductions made in the amount of the investor's liability for corporation tax under section 220 or 220A—
    - (i) for the current accounting period, or
    - (ii) any earlier accounting period which ends during the relevant 3-year period, and
  - (b) the total of any de minimis aid granted to the investor during the relevant 3-year period which does not fall within paragraph (a).
- (3) In subsection (2) “the relevant 3-year period” means the period of 3 years ending at the end of the current accounting period.
- (4) Subsection (2) is to be read as if it were contained in Article 2 of Commission Regulation ([EC](#)) No. 1998/2006 (de minimis aid).]

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#### Textual Amendments

**F4** S. 220B inserted (with effect in accordance with Sch. 27 para. 13(2)(3) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 27 para. 13\(1\)](#)

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 357CHA omitted by [2024 c. 3 Sch. 2 para. 14\(7\)](#)
- s. 658(1)(d)(e) inserted by [2010 c. 13 Sch. 6 para. 31](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 6 para. 31 omitted (retrospective to 6.4.2010) by virtue of Finance Act 2012 (c. 14), s. 52(2) (3))