

# **FINANCE ACT 2012**

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## **EXPLANATORY NOTES**

### **INTRODUCTION**

#### ***Section 6: Corporation Tax: Charge and Main Rate for Financial Year 2013***

##### **Summary**

1. **Section 6** charges corporation tax (CT) for the financial year beginning 1 April 2013 and sets the main rate of CT at 30 per cent on oil and gas ring fence profits and 23 per cent on non-ring fence profits.

##### **Details of the Section**

2. Subsections (1) and (2) set the charge and the main rate of CT for the Financial Year 2013.

##### **Background Note**

3. The main rate of CT is paid by companies with profits of more than £1,500,000 (the upper profits limit).
4. Where two or more companies are associated with one another, the profits limit is reduced. This is done by dividing the limit by the number of associated companies.
5. Profits from oil extraction and oil rights in the UK and the UK Continental Shelf (“ring fence profits”) will continue to be subject to a separate main rate of CT applicable to those ring fenced profits. Profits from activities which are not ring fenced will continue to be charged at the main rate of CT applicable to all other profits.