



# Finance Act 2021

## 2021 CHAPTER 26

### PART 1

#### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

##### *Corporation tax charge and rates*

#### **6 Charge and main rate for financial years 2022 and 2023**

- (1) Corporation tax is charged for the financial years 2022 and 2023.
- (2) The main rate of corporation tax—
  - (a) is 19% for the financial year 2022, and
  - (b) is 25% for the financial year 2023.

#### **7 Small profits rate chargeable on companies from 1 April 2023**

- (1) Schedule 1 contains the following provision (with effect from 1 April 2023)—
  - (a) provision for corporation tax to be charged at the standard small profits rate on profits that are not ring fence profits,
  - (b) provision for marginal relief to be given by reference to the standard marginal relief fraction,
  - (c) provision making corresponding amendments to Chapter 3A of Part 8 of CTA 2010 (corporation tax rates on ring fence profits), and
  - (d) provision making other consequential amendments to provision made by the Corporation Tax Acts.
- (2) For the financial year 2023—
  - (a) the standard small profits rate is 19%, and
  - (b) the standard marginal relief fraction is 3/200ths.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2021, Cross Heading: Corporation tax charge and rates.