



Guidance

Charities and corporation tax returns

Charities are generally exempt from paying corporation tax, but they are required to complete and submit corporation tax returns in two specific circumstances:

- if they have any taxable income or gains not covered by a relief or exemption
- if they have been served with a notice requiring them to file a return

A Corporation tax return includes a set of the charity's accounts and a computation of the tax due, as well as the return form itself.

HM Revenue & Customs (HMRC) give further details on their webpage [Tax returns for charities and Community Amateur Sports Clubs](#).

Gift Aid Registration Number

Any charity which has to file a Corporation tax return using the HMRC online filing product for whatever reason will need to be able to enter their gift aid registration number onto the form or it will fail to submit. If you do not already have such a number you need to apply for it in good time so that it will not delay submission of your return past the filing deadline as that could result in the charity incurring a penalty.

Charities have to have this number to file the return whether they ever need to claim gift aid or not.

Electronic filing

From 1 April 2011, HMRC do not accept paper Company Tax Returns for accounting periods ending after 31 March 2010.

All the required documents need to be filed electronically in the appropriate format, which varies according to the size of the charity.

- **Charities with an income less than £6.5m** for the accounting period can find extra help on how to file company accounts and computations online in HMRC's detailed guidance notes:

[Company Tax Returns for smaller charities: filing online - format for accounts](#)

- **Charities with income over £6.5m** will need to submit their accounts with their return and computation to HMRC in iXBRL format. HMRC explain how to go about this and provide links to software options. This includes a list of accounts preparation packages which will automatically produce iXBRL tagged accounts as well as a list of websites and other solutions for adding the required tagging to accounts prepared in Word or Excel.

[Corporation Tax Online: setting up and managing your online account](#)

[Corporation Tax Online - software and online forms](#)

Charities completing returns need to note that they need to complete all parts of the form. The CT600E which is of particular relevance to charities needs to be downloaded and completed in addition to the main return. Charities may also need to complete a Corporation tax computation even though this might show zero throughout, although where total exemption is being claimed and there is no liability for tax, a PDF letter confirming that a computation is not being submitted can be attached instead.

Without all parts of the form completed it may be rejected and the charity could incur a late filing penalty.

Charities should ask their accountants or auditors if they need further help with this. The Charity Commission is not in a position to offer assistance.