

## CHAPTER 3 Corporation tax reliefs

Corporation tax: relief for gifts to First Step. FA93 s51; FA95 s67; FA97 s65 486.—(1) In this section, “First Step” means the company incorporated under the Companies Acts, 1963 to 1990, on the 20th day of September, 1990, as First Step Limited.

(2) This section shall apply to a gift of money which—

(a) before the 1st day of January, 2000, is made to First Step,

(b) is applied by First Step solely for the objects for which it was incorporated, and

(c) is not deductible in computing for the purposes of corporation tax the profits or gains of a trade or profession or is not income to which section 792 applies.

(3) Where a company makes a gift to which this section applies and claims relief from tax by reference to the gift, the net amount of the gift shall for the purposes of corporation tax be deemed to be a loss incurred by the company in a separate trade in the accounting period of the company in which the gift is made.

(4) (a) In determining the net amount of the gift for the purposes of this section, the amount or value of any consideration received by the company as a result of making the gift, whether received directly or indirectly from First Step or any other person, shall be deducted from the amount of the gift.

(b) Relief under this section shall not be given to a company for an accounting period—

(i) if the net amount of the gift (or the aggregate of the net amounts of gifts) made by the company in that accounting period, being a gift or gifts, as the case may be, to which this section applies, does not exceed £500,

(ii) to the extent to which the net amount of the gift (or the aggregate of the net amounts of gifts) made by the company in that accounting period, being a gift or gifts, as the case may be, to which this section applies, exceeds £100,000,

(iii) in respect of a gift made at any time in the year ended on the 31st day of May in the year 1996, 1997, 1998 or 1999, if at that time the aggregate of the net amounts of all gifts to which this section applies made to First Step within that year exceeds £1,500,000, or

(iv) in respect of a gift made at any time in the period commencing on the 1st day of June, 1999, and ending on the 31st day of December, 1999, if at that time the aggregate of the net amounts of all gifts to which this section applies made to First Step within that period exceeds £875,000.

(5) A claim under this section shall be made with the return required to be delivered under section 951

for the accounting period in which the gift is made.

(6) Where a company makes a gift in respect of which relief is not to be given by virtue of subparagraph (iii) or (iv) of subsection (4)(b), First Step shall, by notice in writing given to the company within 30 days of the making of the gift, advise the company accordingly.

(7) Where a gift to which this section applies is made by a company in an accounting period of the company which is less than 12 months, the amounts specified in subparagraphs (i) and (ii) of subsection (4)(b) shall be proportionately reduced.