

Restrictions as to payment of tax credit. FA83 s43 164.—(1) Where—

(a) by virtue of section 162 the amount of advance corporation tax payable by a company in respect of distributions made by it in an accounting period is less than the amount of advance corporation tax which would have been payable by the company in respect of those distributions if that section had not been enacted, and

(b) either—

(i) no amount is treated under section 162 (4) as a tax credit in respect of a distribution received by the company in the accounting period, or

(ii) the aggregate amount of the tax credits in respect of distributions made by the company in the accounting period is greater than the amount which is so treated under section 162 (4),

then, an amount of the tax credits in respect of distributions received by the company in the accounting period shall not be available for payment to the company under the Corporation Tax Acts, and the amount which is not so available shall be the aggregate amount of the tax credits in respect of distributions received by the company in the accounting period or, if it is less, an amount determined by the formula—

$A - B$

where—

A is the aggregate amount of the tax credits in respect of distributions made by the company in the accounting period, and

B is the amount (if any) so treated under section 162 (4).

(2) For the purposes of subsection (1), account shall not be taken of any distribution treated as not being a distribution for the purposes of section 159 or 162 under any provision of this Chapter.