

Application of section 448 where profits are charged to corporation tax at the reduced rate. CTA76 s28A(10); FA96 s44; FA97 s60(1)(b) 457.—Where any part of the profits of an accounting period of a company is charged to corporation tax in accordance with section 22, then—

(a) for the purposes of section 448, the relevant corporation tax in relation to the accounting period shall be reduced by an amount determined by the formula—

$$R \frac{S}{100} \times S$$

where—

R is the rate per cent specified in section 22 (1) in relation to the accounting period, and

S is an amount equal to so much of the profits of the company for the accounting period as are charged to tax in accordance with section 22 (1),

and

(b) notwithstanding section 4 (4)(b), the income of a company, referred to in the expression “total income brought into charge to corporation tax”, for the accounting period for the purposes of section 448 (2) shall be the sum determined by section 4 (4)(b) for that period reduced—

(i) in accordance with sections 454 and 455, and

(ii) by an amount equal to so much of the profits of the company for the accounting period as are charged to tax in accordance with section 22 (1).