

Partnerships involving companies. CTA76 s32 (apart from proviso to (3) (c)) 1009.—(1) In this section, profits shall not be taken as including chargeable gains.

(2) Subject to this section, subsections (1),(2) (a) and (3) of section 1008 shall apply for the purposes of corporation tax as they apply for the purposes of income tax.

(3) Where the whole or part of an accounting period of a company is or is part of a period for which an account of a partnership trade has been made up, any necessary apportionment shall be made in computing the profits from or loss sustained in the company's several trade for the accounting period of the company.

(4) (a) In this subsection, “the relevant amount” means—

(i) where the year of assessment and the accounting period coincide, the whole amount of the appropriate share of the joint allowance or, as the case may be, the whole amount of the appropriate share of the joint charge, and

(ii) where part only of the year of assessment is within the accounting period, such portion of the appropriate share of the joint allowance or, as the case may be, such portion of the appropriate share of the joint charge as is apportioned to that part of the year of assessment which falls within the accounting period.

(b) Where a capital allowance equal to an appropriate share of a joint allowance would be made, if section 21 (2) had not been enacted, in charging to income tax the profits of a company's several trade for any year of assessment, the relevant amount shall for corporation tax purposes be treated as a trading expense of the company's several trade for any accounting period of the company any part of which falls within that year of assessment.

(c) Where a balancing charge equal to an appropriate share of a joint charge would be made, if section 21 (2) had not been enacted, in charging to income tax the profits of a company's several trade for any year of assessment, the relevant amount shall for corporation tax purposes be treated as a trading receipt of the company's several trade for any accounting period of the company any part of which falls within that year of assessment.

(d) Notwithstanding section 1010 (8), any reference in this subsection to a joint allowance for a year of assessment shall not include a reference to any capital allowance which is or could be brought forward from a previous year of assessment.

(5) Where under this section an amount is to be apportioned to—

(a) a part of an accounting period of a company,

(b) a part of a period for which an account of a partnership trade has been made up, or

(c) a part of a year of assessment,

the apportionment shall be made by reference to the number of months or fractions of months contained in that part and in the remainder of that accounting period, period or year, as the case may be.