

Distributions received from Irish resident companies. CTA76 s33B; FA93 s11(c) 712.—(1) Sections 129 and 153 (1) shall not apply as respects a distribution received by an assurance company in connection with that part of its life business the profits of which are charged to corporation tax otherwise than under Case I or IV of Schedule D, and the income represented by the distribution shall be equal to the aggregate of the amount of the distribution and the amount of the tax credit in respect of the distribution.

(2) Where an assurance company is entitled to a tax credit in respect of a distribution chargeable to corporation tax by virtue of subsection (1)—

(a) the assurance company may, subject to section 729 (5), set the credit against the corporation tax, as reduced by virtue of sections 713 (3) and 723 (6) or by either of those sections, chargeable on its profits for the accounting period in which the distribution is made and, where the credit exceeds that corporation tax, the excess shall be paid to the assurance company, and

(b) notwithstanding sections 4 and 156, the income represented by the distribution shall not be franked investment income for the purposes of sections 83 and 157.