

Tax on company recoverable from other members of group. CTA76 s134 626.—(1) Where at any time a chargeable gain accrues to a company which at that time is a member of a group of companies and any of the corporation tax assessed on the company for the accounting period in which the chargeable gain accrues is not paid within 6 months from the date when it becomes payable by the company, then, if the tax so assessed included any amount in respect of chargeable gains—

(a) a company which at the time when the gain accrued was the principal company of the group, and

(b) any other company which in any part of the period of 2 years ending with that time was a member of that group of companies and owned the asset disposed of or any part of it or, where the asset is an interest or right in or over another asset, owned either asset or any part of either asset,

may at any time within 2 years from the time when the tax became payable be assessed and charged (in the name of the company to whom the chargeable gain accrued) to an amount of that corporation tax not exceeding corporation tax on the amount and at the rate charged in respect of that gain in the assessment on the company to which the chargeable gain accrued.

(2) A company paying any amount of tax under subsection (1) shall be entitled to recover a sum of that amount—

(a) from the company to which the chargeable gain accrued, or

(b) if that company is not the company which was the principal company of the group at the time when the chargeable gain accrued, from that principal company,

and a company paying any amount under paragraph (b) shall be entitled to recover a sum of that amount from the company to which the chargeable gain accrued and, in so far as it is not so recovered, to recover from any company which is for the time being a member of the group and which has while a member of the group owned the asset disposed of or any part of that asset (or, where that asset is an interest or right in or over another asset, owned either asset or any part of either asset) such proportion of the amount unrecovered as is just having regard to the value of the asset at the time when the asset, or an interest or right in or over that asset, was disposed of by that company.