

Corporation tax: allowances and charges in taxing a trade. CTA76 s14(1) and (2) 307.—(1) In computing for the purposes of corporation tax a company's profits for any accounting period, there shall be made in accordance with this section and section 308 all such deductions and additions as are required to give effect to the provisions of the Tax Acts which relate to allowances (including investment allowances) and charges in respect of capital expenditure, and subsection (2) and section 308 shall apply as respects allowances and charges which are to be made under those provisions as they apply for the purposes of corporation tax.

(2) (a) Allowances and charges to be made for any accounting period in taxing a trade shall be given effect by treating the amount of any allowance as a trading expense of the trade in that period and by treating the amount on which any such charge is to be made as a trading receipt of the trade in that period.

(b) (i) A company to which an industrial building allowance under section 271, an initial allowance under section 283 or an initial allowance under section 303 (1)(a) is to be made in taxing a trade for any accounting period may disclaim the allowance by notice in writing given to the inspector not later than 2 years after the end of that period.

(ii) Any such notice shall be accompanied by a certificate signed by the person by whom the notice is given giving such particulars as show that the allowance would be made if no such notice were given and the amount which would be so made.

(iii) Where notice is given under subparagraph (i) for any accounting period, the inspector may make an assessment to corporation tax on the company for that accounting period on the amount or the further amount which in the inspector's opinion ought to be charged.