HMRC - CTM20150 - ACT: Set-Off Against CT On Profits: Maximum

ICTA88/S239 (2)

ACT was set-off against CT charged on all of a company’s profits (accounting periods beginning on or after 17 March 1987).

Example

Company A is liable to CT for the 12 months accounting period to 30 September 1988 as follows.

During the accounting period (after 5 April 1988) the company paid dividends of £270,000 on which ACT of £90,000 was paid. Company A also had at 1 October 1987 surplus ACT brought forward of £150,000.

Maximum set-off of ACT:

Company A has surplus ACT of £34,600 (£150,000 + £90,000 - £205,400).

The company can:

make a claim under ICTA88/S239 (3) (see [## ICTA88/S239 (2)

ACT was set-off against CT charged on all of a company’s profits (accounting periods beginning on or after 17 March 1987).

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Maximum set-off of ACT:

Company A has surplus ACT of £34,600 (£150,000 + £90,000 - £205,400).

The company can:

make a claim under ICTA88/S239 (3) (see](https://www.gov.uk/hmrc-internal-manuals/company-taxation-manual/ctm20170) - CTM20240), or

carry forward under ICTA88/S239 (4) (see CTM20250).

Previous page

Next page