HMRC - CTM90602 - Corporation Tax Self-Assessment (CTSA): Claims And Elections: Introduction

CTSA changed the rules governing the various claims and elections that companies can make under the Taxes Acts. The changes brought claims into line with the “process now, check later” principle of CTSA. The general provisions for claims and elections are given in FA98/SCH18 Part VII.

Part VIII governs claims for group relief (see CTM97000 onwards).

Part IX governs claims for capital allowances (see CTM98000 onwards).

Part IXA governs claims for R&D tax relief (seeCIRD80000 onwards).

Part IXB governs claims for land remediation relief (seeCIRD60000 onwards).

Part 9C governs relief claims for vaccines research (see CIRD75000 onwards).

Part 9D governs claims for film tax relief (see FPC60000 onwards).

When possible, a company must make a claim in its company tax return (or amended return) and give effect to it in its self assessment.

HMRC’s right under FA98/SCH18/PARA16 to correct obvious errors or omissions in a return extends to a claim made in a return.

The right to enquire into a return extends to the validity and accuracy of such a claim (FA98/SCH18/PARA24 (1) and FA98/SCH18/PARA25 (1)(a)).

In some cases, it will not be possible for the company to make a claim or election in a company tax return. This may be because:

a claim affects an accounting period for which the company is out of time to amend its return,

or

an election has effect not just for one accounting period but until further notice.

In such cases TMA70/SCH1A provides:

a parallel set of “process now, check later” rules for dealing with these claims,

for such claims to be given effect by discharge or repayment of tax,

the power to correct and enquire into such claims,

for such claims to become final following, or in the absence of an enquiry.

There are special rules for claims to group relief (see CTM97000 onwards) and to capital allowances (see CTM98000 onwards). There are also special rules that apply to claims for relief under CTA10/S458 - see CTM98200 onwards.

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