HMRC - OT21231 - The Supplementary Charge - Increase Of Relief In Respect Of Decommissioning Expenditure Where The Expenditure Is Taken Into Account For PRT Purposes: Overview

The restriction to relief imposed by CTA2010\S330A could result in relief for decommissioning expenditure being due at less than 75% where profits are subject to PRT. This is as a consequence of PRT being deductible for the purposes of computing profits chargeable to corporation tax and supplementary charge.

This outcome is prevented by decreasing the adjusted ring fence profits of a company for an accounting period under CTA2010\S330B.

The additional deduction is available where any decommissioning expenditure is taken into account for PRT purposes in any chargeable period, and if that expenditure were not so taken into account the amount of PRT due for the chargeable period would exceed nil.

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