

NOTICES OF AMENDMENTS

Wednesday 25 June 2014

CONSIDERATION OF BILL

Mr Chancellor of the Exchequer

NC5

To move the following Clause—

“Tax relief for theatrical production

Schedule (*Tax relief for theatrical production*) contains provision about relief in respect of theatrical productions.”

Mr Chancellor of the Exchequer

NS4

To move the following Schedule—

“TAX RELIEF FOR THEATRICAL PRODUCTION

Part 1

AMENDMENTS OF CTA 2009

1 Before Part 16 of CTA 2009 insert—

“Part 15C

THEATRICAL PRODUCTIONS

Introduction

1217F Overview

- (1) This Part contains provision about tax relief for production companies in respect of their theatrical productions.
- (2) Sections 1217FA to 1217FC define “production company” and “theatrical production”.
- (3) Section 1217G sets out the conditions a production company must meet to qualify for relief in relation to its theatrical production.
- (4) Section 1217H provides for relief by way of additional deductions in respect of certain expenditure (and section 1217J is about the amount of the additional deduction).

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- (5) This Part also contains provision—
- (a) for a company that claims relief to be treated as carrying on a separate trade relating to the theatrical production (see section 1217H(3)), and
- (b) about the calculation of the profits and losses of that trade (see sections 1217I to 1217IF).
- (6) Sections 1217K to 1217KC—
- (a) provide for relief by way of payments (called “theatre tax credits”) to be made on the company’s surrender of certain losses of that trade, and
- (b) set out an upper limit on relief, in connection with State aid legislation.
- (7) Sections 1217LA and 1217LB are about certain cases involving tax avoidance arrangements or arrangements entered into otherwise than for genuine commercial reasons.
- (8) Sections 1217M to 1217MC contain provision about the use of losses of the separate trade (including provision about relief for terminal losses).
- (9) Sections 1217N and 1217NA are concerned with the provisional nature of relief given for periods preceding the period in which the company ceases to carry on the separate theatrical trade.

1217FA “Theatrical production”

- (1) In this Part “theatrical production” means a dramatic production or a ballet (and any ballet is therefore a theatrical production, whether or not it is also a dramatic production).
But see section 1217FB.
- (2) “Dramatic production” means a production of a play, opera, musical, or other dramatic piece (whether or not involving improvisation) in relation to which the following conditions are met—
- (a) the actors, singers, dancers or other performers are to give their performances wholly or mainly through the playing of roles,
- (b) each performance in the proposed run of performances is to be live, and
- (c) the presentation of live performances is the main object, or one of the main objects, of the company’s activities in relation to the production.
- (3) “Dramatic piece” may also include, for example, a show that is to be performed by a circus.
- (4) For the purposes of this section a performance is “live” if it is to an audience before whom the performers are actually present.

1217FB Productions not regarded as theatrical

- (1) A dramatic production or ballet is not regarded as a theatrical production if—
- (a) the main purpose, or one of the main purposes, for which it is made is to advertise or promote any goods or services,
- (b) the performances are to consist of or include a competition or contest,
- (c) a wild animal is to be used in any performance,
- (d) the production is of a sexual nature (see subsection (3)), or

Finance Bill, *continued*

- (e) the making of a relevant recording is the main object, or one of the main objects, of the company's activities in relation to the production.
- (2) For the purposes of subsection (1)(c) an animal is used in a performance if the animal performs, or is shown, in the course of the performance.
- (3) A production is of a sexual nature for the purposes of subsection (1)(d) if the performances are to include any content the nature of which is such that, ignoring financial gain, it would be reasonable to assume the content to be included solely or principally for the purpose of sexually stimulating any member of the audience (whether by verbal or other means).
- (4) "Relevant recording" means a recording of a performance—
 - (a) as a film (or part of a film) for exhibition to the paying general public at the commercial cinema, or
 - (b) for broadcast to the general public.
- (5) In this section—
 - "broadcast" means broadcast by any means (including television, radio or the internet);
 - "film" has the same meaning as in Part 15 (see section 1181);
 - "wild animal" means an animal of a kind which is not commonly domesticated in the British Islands (and in this definition "animal" has the meaning given by section 1(1) of the Animal Welfare Act 2006).

1217FC "Production company"

- (1) A company is the production company in relation to a theatrical production if the company (acting otherwise than in partnership)—
 - (a) is responsible for producing, running and closing the theatrical production,
 - (b) is actively engaged in decision-making during the production, running and closing phases,
 - (c) makes an effective creative, technical and artistic contribution to the production, and
 - (d) directly negotiates for, contracts for and pays for rights, goods and services in relation to the production.
- (2) No more than one company can be the production company in relation to a theatrical production.
- (3) If more than one company meets the conditions in subsection (1) in relation to a theatrical production, the company that is most directly engaged in the activities mentioned in subsection (1) is the production company.
- (4) If there is no company meeting the conditions in subsection (1), there is no production company in relation to the production.

Companies qualifying for relief

1217G How a company qualifies for relief

- (1) A company qualifies for relief in relation to a theatrical production if—
 - (a) it is the production company in relation to the production, and

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- (b) the commercial purpose condition (see section 1217GA) and the EEA expenditure condition (see section 1217GB) are met.
- (2) There is further provision relating to subsection (1) in section 1217LA (tax avoidance arrangements).

1217GA The commercial purpose condition

- (1) The “commercial purpose condition” is that at the beginning of the production phase the company intends that all, or a high proportion of, the live performances that it proposes to run will be—
 - (a) to paying members of the general public, or
 - (b) provided for educational purposes.
- (2) The reference in subsection (1) to “live performances” is to be read in accordance with section 1217FA(4).
- (3) A performance is not regarded as provided for educational purposes if the production company is, or is associated with, a person who—
 - (a) has responsibility for the beneficiaries, or
 - (b) is otherwise connected with the beneficiaries (for instance, by being their employer).
- (4) For the purposes of subsection (3), a production company is associated with a person (“P”) if—
 - (a) P controls the production company, or
 - (b) P is a company which is controlled by the production company or by a person who also controls the production company.
- (5) In this section—

“the beneficiaries” means persons for whose benefit the performance will or may be provided;

“control” has the same meaning as in Part 10 of CTA 2010 (see section 450 of that Act).

1217GB The EEA expenditure condition

- (1) The “EEA expenditure condition” is that at least 25% of the core expenditure on the theatrical production incurred by the company is EEA expenditure.
- (2) In this Part “EEA expenditure” means expenditure on goods or services that are provided from within the European Economic Area.
- (3) Any apportionment of expenditure as between EEA and non-EEA expenditure for the purposes of this Part is to be made on a just and reasonable basis.
- (4) The Treasury may by regulations—
 - (a) amend the percentage specified in subsection (1);
 - (b) amend subsection (2).
- (5) See also sections 1217N and 1217NA (which are about the giving of relief provisionally on the basis that the EEA expenditure condition will be met).

1217GC “Core expenditure”

- (1) In this Part “core expenditure”, in relation to a theatrical production, means expenditure on the activities involved in—

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- (a) producing the production, and
- (b) closing the production.
- (2) The reference in subsection (1)(a) to “expenditure on the activities involved in producing the production”—
 - (a) does not include expenditure on any matters not directly involved in producing the production (for instance, financing, marketing, legal services or storage);
 - (b) does not include expenditure on the ordinary running of the production; but expenditure incurred on or after the date of the first performance of the production to the paying general public may fall within subsection (1)(a) (for instance, if it is incurred in connection with a substantial recasting or a substantial redesign of the set).

Claim for additional deduction

1217H Claim for additional deduction

- (1) A company which qualifies for relief in relation to a theatrical production may claim an additional deduction in relation to the production.
- (2) A claim under subsection (1) is made with respect to an accounting period. (See Schedule 18 to FA 1998, and in particular, Part 9D, for provision about the procedure for making claims.)
- (3) Where a company has made a claim under subsection (1)—
 - (a) the company’s activities in relation to the theatrical production are treated for corporation tax purposes as a trade separate from any other activities of the company (including activities in relation to any other theatrical production), and
 - (b) the company is entitled to make an additional deduction, in accordance with section 1217J, in calculating the profit or loss of the separate trade for the accounting period concerned.
- (4) The company is treated as beginning to carry on the separate trade—
 - (a) when the production phase begins, or
 - (b) if earlier, at the time of the first receipt by the company of any income from the theatrical production.
- (5) Where the company tax return in which a claim under subsection (1) is made is for an accounting period later than that in which the company begins to carry on the separate trade, the company must make any amendments of company tax returns for earlier periods that may be necessary.
- (6) Any amendment or assessment necessary to give effect to subsection (5) may be made despite any limitation on the time within which an amendment or assessment may normally be made.
- (7) If the company ceases at any time to meet the conditions in section 1217FC(1) (meaning of “production company”) in relation to the production, it is treated as ceasing to carry on the separate trade at that time.

Finance Bill, continued*The separate theatrical trade***1217I Introduction to sections 1217IA to 1217IF**

Where a company is treated under section 1217H(3)(a) as carrying on a separate trade (“the separate theatrical trade”), the profits or losses of the trade are calculated for corporation tax purposes in accordance with sections 1217IA to 1217IF.

1217IA Calculation of profits or losses of separate theatrical trade

- (1) For the first period of account during which the separate theatrical trade is carried on, the following are brought into account—
- (a) as a debit, the costs of the theatrical production incurred (and represented in work done) to date;
- (b) as a credit, the proportion of the estimated total income from the production treated as earned at the end of that period.
- (2) For subsequent periods of account the following are brought into account—
- (a) as a debit, the difference between the amount (“C”) of the costs of the theatrical production incurred (and represented in work done) to date and the amount corresponding to C for the previous period, and
- (b) as a credit, the difference between the proportion (“PI”) of the estimated total income from the production treated as earned at the end of that period and the amount corresponding to PI for the previous period.
- (3) The proportion of the estimated total income treated as earned at the end of a period of account is—

$$\frac{C}{T} \times I$$

where—

- C is the total to date of costs incurred (and represented in work done);
 T is the estimated total cost of the theatrical production;
 I is the estimated total income from the theatrical production.

1217IB Income from the production

- (1) References in this Part to income from a theatrical production are to any receipts by the company in connection with the making or exploitation of the production.
- (2) This includes—
- (a) receipts from the sale of tickets or of rights in the theatrical production;
- (b) royalties or other payments for use of aspects of the theatrical production (for example, characters or music);
- (c) payments for rights to produce merchandise;
- (d) receipts by the company by way of a profit share agreement.
- (3) Receipts that (apart from this subsection) would be regarded as being of a capital nature are treated as being of a revenue nature.

Finance Bill, continued

1217IC Costs of the production

- (1) References in this Part to the costs of a theatrical production are to expenditure incurred by the company on—
 - (a) the activities involved in developing, producing, running and closing the production, or
 - (b) activities with a view to exploiting the production.
- (2) This is subject to any provision of the Corporation Tax Acts prohibiting the making of a deduction, or restricting the extent to which a deduction is allowed, in calculating the profits of a trade.
- (3) Expenditure which, apart from this subsection, would be regarded as being of a capital nature only because it is incurred on the creation of an asset (i.e. the theatrical production) is treated as being of a revenue nature.

1217ID When costs are taken to be incurred

- (1) For the purposes of this Part, the costs that have been incurred on a theatrical production at a given time—
 - (a) are those costs of the production that are represented in the state of completion of the work in progress, but
 - (b) do not include any amount that has not been paid unless it is the subject of an unconditional obligation to pay.
- (2) In accordance with subsection (1)(a)—
 - (a) payments in advance of work to be done are ignored until the work has been carried out;
 - (b) deferred payments are recognised to the extent that the goods or services in question are represented in the state of completion of the work in progress (but this is subject to subsection (1)(b)).
- (3) Where an obligation to pay an account is linked to income being earned from the theatrical production, the obligation is not treated as having become unconditional unless an appropriate amount of income is or has been brought into account under section 1217IA.
- (4) In determining for the purposes of this Part the amount of costs incurred on a theatrical production at the end of a period of account, any amount that has not been paid 4 months after the end of that period is to be ignored.

1217IE Pre-trading expenditure

- (1) This section applies if, before the company begins to carry on the separate theatrical trade, it incurs expenditure on activities falling within section 1217IC(1)(a).
- (2) The expenditure may be treated as expenditure of the separate theatrical trade and as if incurred immediately after the company begins to carry on that trade.
- (3) If expenditure so treated has previously been taken into account for other tax purposes, the company must amend any relevant company tax return accordingly.
- (4) Any amendment or assessment necessary to give effect to subsection (3) may be made despite any limitation on the time within which an amendment or assessment may normally be made.

Finance Bill, *continued***1217IF** **Estimates**

Estimates for the purposes of section 1217IA must be made as at the balance sheet date for each period of account, on a just and reasonable basis taking into consideration all relevant circumstances.

*Amount of additional deduction***1217J** **Amount of additional deduction**

- (1) The amount of an additional deduction to which a company is entitled as a result of a claim under section 1217H is calculated as follows.
- (2) For the first period of account during which the separate theatrical trade is carried on, the amount of the additional deduction is E, where—
E is—
- (a) so much of the qualifying expenditure incurred to date as is EEA expenditure, or
- (b) if less, 80% of the total amount of qualifying expenditure incurred to date.
- (3) For any period of account after the first, the amount of the additional deduction is—

$$E - P$$

where—

E is—

- (a) so much of the qualifying expenditure incurred to date as is EEA expenditure, or
- (b) if less, 80% of the total amount of qualifying expenditure incurred to date, and
- P is the total amount of the additional deductions given for previous periods.
- (4) The Treasury may by regulations amend the percentage specified in subsection (2) or (3).

1217JA **“Qualifying expenditure”**

- (1) In this Part “qualifying expenditure”, in relation to a theatrical production, means core expenditure (see section 1217GC) on the theatrical production that—
- (a) falls to be taken into account under sections 1217IA to 1217IF in calculating the profit or loss of the separate theatrical trade for tax purposes, and
- (b) is not excluded by subsection (2).
- (2) The following expenditure is excluded—
- (a) expenditure in respect of which the company is entitled to an R&D expenditure credit under Chapter 6A of Part 3;
- (b) expenditure in respect of which the company has obtained relief under Part 13 (additional relief for expenditure on research and development).

Finance Bill, continued

Theatre tax credits

1217K Theatre tax credit claimable if company has surrenderable loss

- (1) A company which—
 - (a) is treated under section 1217H(3) as carrying on a separate trade during the whole or part of an accounting period, and
 - (b) has a surrenderable loss in that period,
 may claim a theatre tax credit for that accounting period.
- (2) Section 1217KA sets out how to calculate the amount of any surrenderable loss that the company has in the accounting period.
- (3) A company making a claim may surrender the whole or part of its surrenderable loss in the accounting period.
- (4) The amount of the theatre tax credit to which a company making a claim is entitled for the accounting period is—
 - (a) 25% of the amount of the loss surrendered if the theatrical production is a touring production, or
 - (b) 20% of the amount of the loss surrendered if the theatrical production is not a touring production.
- (5) The company's available loss for the accounting period (see section 1217KA(2)) is reduced by the amount surrendered.
- (6) A theatrical production is a "touring production" only if the company intends at the beginning of the production phase—
 - (a) that it will present performances of the production in 6 or more separate premises, or
 - (b) that it will present performances of the production in at least two separate premises and that the number of performances will be at least 14.
- (7) See Schedule 18 to FA 1998 (in particular, Part 9D) for provision about the procedure for making claims under subsection (1).

1217KA Amount of surrenderable loss

- (1) The company's surrenderable loss in the accounting period is—
 - (a) the company's available loss for the period in the separate theatrical trade (see subsections (2) and (3)), or
 - (b) if less, the available qualifying expenditure for the period (see subsections (4) and (5)).
- (2) The company's available loss for an accounting period is—

L + RUL

 where—
 - L is the amount of the company's loss for the period in the separate theatrical trade, and
 - RUL is the amount of any relevant unused loss of the company (see subsection (3)).
- (3) The "relevant unused loss" of a company is so much of any available loss of the company for the previous accounting period as has not been—

Finance Bill, continued

- (a) surrendered under section 1217K, or
 - (b) carried forward under section 45 of CTA 2010 and set against profits of the separate theatrical trade.
- (4) For the first period of account during which the separate theatrical trade is carried on, the available qualifying expenditure is the amount that is E for that period for the purposes of section 1217J(2).
- (5) For any period of account after the first, the available qualifying expenditure is—
- E – S
- where—
- E is the amount that is E for that period for the purposes of section 1217J(3), and
- S is the total amount previously surrendered under section 1217K.
- (6) If a period of account of the separate theatrical trade does not coincide with an accounting period, any necessary apportionments are to be made by reference to the number of days in the periods concerned.

1217KB Payment in respect of theatre tax credit

- (1) If a company—
- (a) is entitled to a theatre tax credit for an accounting period, and
 - (b) makes a claim,
- the Commissioners for Her Majesty's Revenue and Customs ("the Commissioners") must pay the amount of the credit to the company.
- (2) An amount payable in respect of—
- (a) a theatre tax credit, or
 - (b) interest on a theatre tax credit under section 826 of ICTA,
- may be applied in discharging any liability of the company to pay corporation tax.
- To the extent that it is so applied the Commissioners' liability under subsection (1) is discharged.
- (3) If the company's company tax return for the accounting period is enquired into by the Commissioners, no payment in respect of a theatre tax credit for that period need be made before the Commissioners' enquiries are completed (see paragraph 32 of Schedule 18 to FA 1998).
- In those circumstances the Commissioners may make a payment on a provisional basis of such amount as they consider appropriate.
- (4) No payment need be made in respect of a theatre tax credit for an accounting period before the company has paid to the Commissioners any amount that it is required to pay for payment periods ending in that accounting period—
- (a) under PAYE regulations,
 - (b) under section 966 of ITA 2007 (visiting performers), or
 - (c) in respect of Class 1 national insurance contributions under Part 1 of the Social Security Contributions and Benefits Act 1992 or Part 1 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992.

Finance Bill, continued

- (5) A payment in respect of a theatre tax credit is not income of the company for any tax purpose.

1217KC Limit on State aid

- (1) The total amount of any theatre tax credits payable under section 1217KB in the case of any undertaking is not to exceed 50 million euros per year.
- (2) In this section “undertaking” has the same meaning as in the General Block Exemption Regulation.
- (3) In this section “the General Block Exemption Regulation” means any regulation that—
- (a) is for the time being in force under Article 1 of Council Regulation (EC) No 994/98, and
- (b) makes, in relation to aid in favour of culture and heritage conservation, the declaration provided for by that Article.

Anti-avoidance etc

1217LA Tax avoidance arrangements

- (1) A company does not qualify for relief in relation to a theatrical production if there are any tax avoidance arrangements relating to the production.
- (2) Arrangements are “tax avoidance arrangements” if their main purpose, or one of their main purposes, is the obtaining of a tax advantage.
- (3) In this section—
 “arrangements” includes any scheme, agreement or understanding, whether or not legally enforceable;
 “tax advantage” has the meaning given by section 1139 of CTA 2010.

1217LB Transactions not entered into for genuine commercial reasons

- (1) A transaction is to be ignored for the purpose of determining a relief mentioned in subsection (2) so far as the transaction is attributable to arrangements (other than tax avoidance arrangements) entered into otherwise than for genuine commercial reasons.
- (2) The reliefs mentioned in subsection (1) are—
- (a) any additional deduction which a company may make under this Part, and
- (b) any theatre tax credit to be given to a company.
- (3) In this section “arrangements” and “tax avoidance arrangements” have the same meaning as in section 1217LA.

Use of losses

1217M Application of sections 1217MA to 1217MC

- (1) Sections 1217MA to 1217MC apply to a company that is treated under section 1217H(3) as carrying on a separate trade in relation to a theatrical production.
- (2) In those sections—

Finance Bill, continued

“the completion period” means the accounting period in which the company ceases to carry on the separate theatrical trade;

“loss relief” includes any means by which a loss might be used to reduce the amount in respect of which a company, or any other person, is chargeable to tax.

1217MA Restriction on use of losses before completion period

- (1) Subsection (2) applies if a loss is made by the company in the separate theatrical trade in an accounting period preceding the completion period.
- (2) The loss is not available for loss relief, except to the extent that the loss may be carried forward under section 45 of CTA 2010 to be set against profits of the separate theatrical trade in a subsequent period.

1217MB Use of losses in the completion period

- (1) Subsection (2) applies if a loss made in the separate theatrical trade is carried forward under section 45 of CTA 2010 to the completion period.
- (2) So much (if any) of the loss as is not attributable to relief under section 1217H (see subsection (4)) may be treated for the purposes of loss relief as if it were a loss made in the completion period.
- (3) If a loss is made in the separate theatrical trade in the completion period, the amount of the loss that may be—
 - (a) deducted from total profits of the same or an earlier period under section 37 of CTA 2010, or
 - (b) surrendered as group relief under Part 5 of that Act,
 is restricted to the amount (if any) that is not attributable to relief under section 1217H.
- (4) The amount of a loss in any period that is attributable to relief under section 1217H is found by—
 - (a) calculating what the amount of the loss would have been if there had been no additional deduction under that section in that or any earlier period, and
 - (b) deducting that amount from the total amount of the loss.
- (5) This section does not apply to loss surrendered, or treated as carried forward, under section 1217MC (terminal losses).

1217MC Terminal losses

- (1) This section applies if—
 - (a) the company ceases to carry on the separate theatrical trade, and
 - (b) if the company had not ceased to carry on the separate theatrical trade, it could have carried forward an amount under section 45 of CTA 2010 to be set against profits of that trade in a later period (“the terminal loss”).
 Below in this section the company is referred to as “company A” and the separate theatrical trade is referred to as “trade 1”.
- (2) If company A—
 - (a) is treated under section 1217H(3) as carrying on a separate theatrical trade in relation to another theatrical production (“trade 2”), and

Finance Bill, continued

- (b) is carrying on trade 2 when it ceases to carry on trade 1, company A may (on making a claim) elect to transfer the terminal loss (or a part of it) to trade 2.
- (3) If company A makes an election under subsection (2), the terminal loss (or part of the loss) is treated as if it were a loss brought forward under section 45 of CTA 2010 to be set against the profits of trade 2 of the first accounting period beginning after the cessation and so on.
- (4) Subsection (5) applies if—
 - (a) another company (“company B”) is treated under section 1217H(3) as carrying on a separate theatrical trade (“company B’s trade”) in relation to another theatrical production,
 - (b) company B is carrying on that trade when company A ceases to carry on trade 1, and
 - (c) company B is in the same group as company A for the purposes of Part 5 of CTA 2010 (group relief).
- (5) Company A may surrender the loss (or part of it) to company B.
- (6) On the making of a claim by company B the amount surrendered is treated as if it were a loss brought forward by company B under section 45 of CTA 2010 to be set against the profits of company B’s trade of the first accounting period beginning after the cessation and so on.
- (7) The Treasury may by regulations make administrative provision in relation to the surrender of a loss under subsection (5) and the resulting claim under subsection (6).
- (8) “Administrative provision” means provision corresponding, subject to such adaptations or other modifications as appear to the Treasury to be appropriate, to that made by Part 8 of Schedule 18 to FA 1998 (company tax returns: claims for group relief).

Provisional entitlement to relief

1217N Provisional entitlement to relief

- (1) In relation to a company that has made a claim under section 1217H in relation to a theatrical production, “interim accounting period” means any accounting period that—
 - (a) is one in which the company carries on the separate theatrical trade, and
 - (b) precedes the accounting period in which it ceases to do so.
- (2) A company is not entitled to relief under any of the relieving provisions for an interim accounting period unless—
 - (a) its company tax return for the period states the amount of planned core expenditure on the theatrical production that is EEA expenditure, and
 - (b) that amount is such as to indicate that the EEA expenditure condition (see section 1217GB) will be met in relation to the production.

If those requirements are met, the company is provisionally treated in relation to that period as if the EEA expenditure condition were met.
- (3) In this section “the relieving provisions” means—

Finance Bill, continued

- (a) section 1217H (additional deduction),
- (b) section 1217K (theatre tax credits), and
- (c) section 1217MC (terminal losses).

1217NA Clawback of provisional relief

- (1) If a statement is made under section 1217N(2) but it subsequently appears that the EEA expenditure condition will not be met on the company's ceasing to carry on the separate theatrical trade, the company—
 - (a) is not entitled to relief under any of the relieving provisions for any period for which its entitlement depended on such a statement, and
 - (b) must amend its company tax return for any such period accordingly.
- (2) When a company which has made a claim under section 1217H ceases to carry on the separate theatrical trade, the company's company tax return for the period in which that cessation occurs must—
 - (a) state that the company has ceased to carry on the separate theatrical trade, and
 - (b) be accompanied by a final statement of the amount of the core expenditure on the theatrical production that is EEA expenditure.
- (3) If that statement shows that the EEA expenditure condition is not met—
 - (a) the company is not entitled to relief under any of the relieving provisions for any period,
 - (b) the company is treated for corporation tax purposes as if section 1217H(3)(a) (treatment as a separate trade) did not apply in relation to the theatrical production for any period, and
 - (c) accordingly, sections 1217MA and 1217MB (provisions about use of losses) do not apply in relation to the theatrical production for any period.
- (4) Where subsection (3) applies, the company must amend its company tax return for any period in which (or in any part of which) it was treated as carrying on a separate trade relating to the theatrical production.
- (5) Any amendment or assessment necessary to give effect to this section may be made despite any limitation on the time within which an amendment or assessment may normally be made.
- (6) In this section "the relieving provisions" has the same meaning as in section 1217N.

*Interpretation***1217O Activities involved in developing, producing, running or closing a production**

The Treasury may by regulations amend section 1217GC (core expenditure) or 1217IC (costs of production) for the purpose of providing that activities of a specified description are, or are not, to be regarded as activities involved in developing or (as the case may be) producing, running or closing—

- (a) a theatrical production, or
- (b) a theatrical production of a specified description.

Finance Bill, *continued*

1217OA “Company tax return”

In this Part “company tax return” has the same meaning as in Schedule 18 to FA 1998 (see paragraph 3(1) of that Schedule).

1217OB Index

In this Part—

“commercial purpose condition” has the meaning given by section 1217GA;

“company tax return” has the meaning given by section 1217OA;

“core expenditure” has the meaning given by section 1217GC;

“costs”, in relation to a theatrical production, has the meaning given by section 1217IC;

“EEA expenditure” has the meaning given by section 1217GB;

“EEA expenditure condition” has the meaning given by section 1217GB;

references to “income from a theatrical production” are to be read in accordance with section 1217IB;

“production company” has the meaning given by section 1217FC;

“qualifying expenditure” has the meaning given by section 1217JA;

references to the “separate theatrical trade” are to be read in accordance with section 1217I;

“theatrical production” has the meaning given by section 1217FA (read with section 1217FB).”

Part 2

CONSEQUENTIAL AMENDMENTS

ICTA

2(1) Section 826 of ICTA (interest on tax overpaid) is amended as follows.

(2) In subsection (1), after paragraph (fb) insert—

“(fc) a payment of theatre tax credit falls to be made to a company; or”.

(3) In subsection (3C), for “or video game tax credit” substitute “, video game tax credit or theatre tax credit”.

(4) In subsection (8A)—

(a) in paragraph (a) for “or (f)” substitute “(f), (fa), (fb) or (fc)”, and

(b) in paragraph (b)(ii), after “video game tax credit” insert “or theatre tax credit”.

(5) In subsection (8BA), after “video game tax credit” (in both places) insert “or theatre tax credit”.

FA 1998

3 Schedule 18 to FA 1998 (company tax returns, assessments and related matters) is amended as follows.

4 In paragraph 10 (other claims and elections to be included in return), in sub-paragraph (4)—

(a) before “claims” insert “certain”;

(b) for “or 15B” substitute “, 15B or 15C”.

Finance Bill, continued

- 5(1) Paragraph 52 (recovery of excessive overpayments etc) is amended as follows.
- (2) In sub-paragraph (2), after paragraph (bf) insert—
- “(bg) theatre tax credit under Part 15C of that Act.”
- (3) In sub-paragraph (5)—
- (a) after paragraph (ah) insert—
- “(ai) an amount of theatre tax credit paid to a company for an accounting period;”
- (b) in the words after paragraph (b), after “(ah)” insert “, (ai)”.
- 6(1) Part 9D (certain claims for tax relief) is amended as follows.
- (2) In paragraph 83S (introduction), after paragraph (c) insert—
- “(d) an additional deduction under Part 15C of CTA 2009,
- (e) a theatre tax credit under that Part of that Act.”
- (3) The heading of that Part becomes “CLAIMS FOR TAX RELIEF UNDER PART 15, 15A, 15B OR 15C OF THE CORPORATION TAX ACT 2009”.

CAA 2001

- 7 In Schedule A1 to CAA 2001 (first-year tax credits), in paragraph 11(4), omit the “and” at the end of paragraph (d) and after paragraph (e) insert “, and
- (f) section 1217K of that Act (theatre tax credits).”

FA 2007

- 8 In Schedule 24 to FA 2007 (penalties for errors), in paragraph 28(fa) (meaning of “corporation tax credit”), omit the “or” at the end of sub-paragraph (ivb) and after that sub-paragraph insert—
- “(ive) a theatre tax credit under section 1217K of that Act, or”.

CTA 2009

- 9 In section 104BA of CTA 2009 (R&D expenditure credits: restrictions on claiming other tax reliefs), after subsection (3) insert—
- “(4) For provision prohibiting an R&D expenditure credit being given under this Chapter and relief being given under section 1217H or 1217K (theatrical productions: additional deduction or theatre tax credit), see section 1217JA(2).”
- 10 In Part 8 of CTA 2009 (intangible fixed assets), in Chapter 10 (excluded assets), before section 809 insert—

“808C Assets representing expenditure incurred in course of separate theatrical trade

- (1) This Part does not apply to an intangible fixed asset held by a theatrical production company so far as the asset represents expenditure on a theatrical production that is treated under Part 15C as expenditure of a separate trade (see particularly sections 1217H and 1217IE).
- (2) In this section—
- “theatrical production” has the same meaning as in Part 15C (see section 1217FA);

Finance Bill, *continued*

“theatrical production company” means a company which, for the purposes of that Part, is the production company in relation to a theatrical production (see section 1217FC).”

11 In section 1040ZA of CTA 2009 (additional relief for expenditure on research and development), after subsection (3) insert—

“(4) For provision prohibiting relief being given under this Part and under section 1217H or 1217K (theatrical productions: additional deduction or theatre tax credit), see section 1217JA(2).”

12 In section 1310 of CTA 2009 (orders and regulations), in subsection (4), after paragraph (ej) insert—

“(ek) section 1217GB(4) (EEA expenditure condition),
 (el) section 1217J(4) (amount of additional deduction),
 (em) section 1217O (activities involved in developing, producing, running or closing a production),”.

13 In Schedule 4 to CTA 2009 (index of defined expressions) at the appropriate place insert—

“commercial purpose condition (in Part 15C)	section 1217OB”;
“company tax return (in Part 15C)	section 1217OA”;
“core expenditure (in Part 15C)	section 1217GC”;
“costs of a theatrical production (in Part 15C)	section 1217IC”;
“EEA expenditure (in Part 15C)	section 1217GB”;
“EEA expenditure condition (in Part 15C)	section 1217OB”;
“income from a theatrical production (in Part 15C)	section 1217IC”;
“production company (in Part 15C)	section 1217FC”;
“qualifying expenditure (in Part 15C)	section 1217JA”;
“the separate theatrical trade (in Part 15C)	section 1217OB”;

Finance Bill, *continued*

“theatrical production (in section 1217FA”.
Part 15C)

FA 2009

- 14 In Schedule 54A to FA 2009 (which is prospectively inserted by F(No. 3)A 2010 and contains provision about the recovery of certain amounts of interest paid by HMRC), in paragraph 2—
- (a) in sub-paragraph (2), omit the “or” at the end of paragraph (f) and after paragraph (g) insert “, or
- (h) a payment of theatre tax credit under section 1217K of CTA 2009 for an accounting period.”;
- (b) in sub-paragraph (4), for “(e)” substitute “(h)”.

CTA 2010

- 15(1) Section 357CG of CTA 2010 (profits arising from the exploitation of patents etc: adjustments in calculating profits of trade) is amended as follows.
- (2) In subsection (3), omit the “and” at the end of paragraph (c) and after paragraph (d) insert “, and
- (e) the amount of any additional deduction for the accounting period obtained by the company under Part 15C of CTA 2009 in respect of qualifying expenditure on a theatrical production.”
- (3) In subsection (6)—
- (a) in the definition of “qualifying expenditure”, omit the “and” at the end of paragraph (a) and after paragraph (b) insert “, and
- (c) in relation to a company that is the production company (as defined in section 1217FC of that Act) in relation to a theatrical production, has the same meaning as in Part 15C of that Act,”;
- (b) omit the “and” at the end of the definition of “television production company” and after that definition insert—
““theatrical production” has the same meaning as in Part 15C of CTA 2009 (see section 1217FA of that Act), and”.

Part 3

COMMENCEMENT

- 16(1) Any power to make regulations conferred on the Treasury by virtue of this Schedule comes into force on the day on which this Act is passed.
- (2) So far as not already brought into force by sub-paragraph (1), the amendments made by this Schedule come into force in accordance with provision contained in an order made by the Treasury.
- (3) An order under sub-paragraph (2) may make different provision for different purposes.
- 17(1) The amendments made by this Schedule have effect in relation to accounting periods beginning on or after 1 September 2014.
- (2) Sub-paragraph (3) applies where a company has an accounting period beginning before 1 September 2014 and ending on or after that date (“the straddling period”).

Finance Bill, *continued*

- (3) For the purposes of Part 15C of CTA 2009—
 - (a) so much of the straddling period as falls before 1 September 2014, and so much of that period as falls on or after that date, are treated as separate accounting periods, and
 - (b) any amounts brought into account for the purposes of calculating for corporation tax purposes the profits of a trade for the straddling period are apportioned to the two separate accounting periods on such basis as is just and reasonable.”

EXPLANATORY NOTE

NEW CLAUSE 5 AND NEW SCHEDULE 4: TAX RELIEF FOR THEATRICAL PRODUCTION

SUMMARY

1. New Clause 5 and New Schedule 4 introduce a relief from Corporation Tax for theatrical productions.

DETAILS OF THE SCHEDULE

1. New Schedule 4 introduces a new relief for theatrical productions, and provides for the consequential amendments to other parts of the Taxes Acts and for the commencement of the new relief.

2. Part 1 of the schedule introduces amendments to the Corporation Taxes Act (CTA) 2009, Part 2 introduces the consequential amendments to other parts of the Taxes Acts, and Part 3 contains the commencement provisions.

Chapter 1: Introduction

3. New section 1217F sets out the scope and an overview of the legislation.

4. New section 1217FA defines what is meant by a “theatrical production”, “dramatic production”, “dramatic piece”, and “live”.

- Plays, opera, musicals or other dramatic pieces are theatrical productions if the playing of roles is the whole or major part of what is done by persons performing and, each performance is live to an audience before whom the performers are actually present.
- A ‘dramatic piece’ may include a show performed by a circus. For example, where the performance is scripted, the performers play roles as opposed to something like a pure high-wire trapeze performance which is generally regarded as more of an indoor sport.
- Any ballet is a theatrical performance, whether or not there is also a dramatic production. This allows for contemporary ballet productions where there may not be a dramatic narrative but the production incorporates elements of classical ballet and classical ballet technique.

2. New section 1217FB(1) sets out what productions are not to be regarded as a theatrical production.

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These include:

- Advertisements
- Competitions and contests
- Productions of a sexual nature
- Where the making of a recording or broadcasting is the main object in relation to the production.
- Productions containing ‘wild animals’.

3. New section 1217FB(3) provides for what is to be regarded as a production of a sexual nature.
4. New section 1217B(4) defines what a relevant recording is.
5. New section 1217B(5) defines “broadcast”, “film” and “wild animal”.
6. New section 1217FC(1) sets out the general rule that governs whether a company is a theatrical production company in relation to a theatrical production. The company must be responsible for: producing, running and closing the theatrical production as well as making an effective creative, technical and artistic contribution to the production. The company must be actively engaged in planning and decision taking during those stages of a production; and it must directly negotiate, contract and pay for rights, goods and services.
7. New section 1217FC(2) provides that there can be only one production company in relation to a theatrical production. Partnerships are therefore not eligible.
8. New section 1217FC(3) recognises that there may be more than one company meeting the conditions of 1217FC(1) and provides that where this is the case, the company most directly engaged in the activities referred to in 1217FC(1) is the theatre production company in relation to the theatrical production.
9. New section 1217FC(4) makes it clear that it is possible that there may be no theatrical production company in relation to the production.
10. New section 1217G provides for how a company qualifies for relief. A company must be the production company, satisfy a commercial purpose condition and a minimum EEA expenditure condition.
11. New section 1217GA sets out the commercial purpose condition. At the beginning of the production phase the company must intend that the performances will be to paying members of the general public so events held in private will not be eligible unless those attending are charged for the entertainment (and there is a view to making a profit). Performances for educational purposes do not have to be before the general paying public. This allows, for example a charitable theatrical production company, whose main charitable aim is educational to present to schools. Where a performance is for educational purposes the company must not be associated with those who may benefit from the performance or be connected with the beneficiaries (an example is by being their employer).

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12. New section 1217GB sets out the minimum European Economic Area spend required by the production company to qualify for the relief. At least 25% of the core expenditure (see 1217GC) must be on goods or services that are provided from within the EEA. For example if costumes are commissioned and paid for in the UK that expenditure may be eligible.
13. New section 1217GC provides that core expenditure means expenditure on the activities directly involved in producing the production, such as the costs of costumes, closing the production, and the final striking of the set. Core expenditure will not include indirect expenditure such as marketing the production, financing, associated finance costs, legal fees, accountancy fees or storage of sets. Ordinary running costs incurred on or after the date of the first performance of the production to the paying general public (for example ongoing salary costs) will only qualify as core expenditure in the 'running phase' of a production if incurred in connection with a substantial recasting or a substantial redesign of the set. Development expenditure that precedes production will not be eligible if the production does not get 'green lit' (see also new section 1217IE). The intention is to separate speculative expenditure from expenditure undertaken in the knowledge that the decision has been taken to go ahead with the production.
14. New section 1217H sets out how a company may claim for the additional deduction. A company that makes a claim for relief must treat each qualifying theatrical production as a separate trade. A company is treated as beginning to carry on the separate trade when the production phase begins or, if earlier at the time of the first receipt by the company of any income from the theatrical production.
15. New section 1217I provides an introduction to new sections 1217IA and 1217IF.
16. New section 1217IA sets out how the profits and losses of the separate theatrical trade are calculated for the first period of account and any subsequent periods.
17. New section 1217IB sets out what is income for the purposes of the calculation of the profits or losses of the separate theatrical trade. Income includes: receipts from the sale of tickets or of rights in the theatrical production, royalties or other payments for use of other aspects of the production such as characters or music, rights for merchandise and receipts by the company by way of any profit share agreements.
18. New section 1217IC sets out that for the purpose of the calculation of the profits or losses of the separate theatrical trade, costs incurred by the company will be those direct costs in developing, producing, running and closing the production. Capital expenditure is treated as being of a revenue nature where it is on the creation of the production.
19. New section 1217ID sets out the rules of when costs are taken to have been incurred for the purposes of the relief. For example that costs are incurred when they are represented in the state of completion of the work in progress or do not include any amount that has not been paid unless it is the subject of an unconditional obligation to pay. Costs which remain unpaid by four months after the end of a period of account are ignored for that period.

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20. New section 1217IE outlines the circumstances in which pre-trading expenditure, including expenditure on developing the production before it was ‘green-lit’, may be treated as expenditure of the separate theatrical trade.
21. New section 1217IF provides that estimates at the balance sheet date for each period of account must be on a just and reasonable basis and must take into account all relevant circumstances.
22. New section 1217J provides that a company may claim an additional deduction based on its qualifying expenditure. For the first period of account in which the separate theatrical trade is carried on, the additional deduction is the lesser of the amount of qualifying expenditure which is EEA expenditure, or 80 per cent of the total amount of qualifying expenditure. For subsequent periods of account, the amount of additional deduction is the lesser of the amount of qualifying expenditure which is EEA expenditure or 80 per cent of the total amount of qualifying expenditure minus any additional deductions given for previous periods.
23. New section 1217JA defines “qualifying expenditure” and also provides that where relief has been given for R&D tax credits on the same expenditure under the SME R&D scheme then relief is not available for theatrical relief. Nor is relief available if a company is entitled to relief under Chapter 6A of Part 3.
24. New section 1217K provides that where a theatrical production company has a surrenderable loss then that company may claim a tax credit for the period. The whole or part of the loss may be surrendered.
25. New subsection 1217K(4) sets out the two rates for theatre tax relief. For touring productions it is 25% and 20% for other non-touring productions.
26. New subsection 1217K(6) defines what a ‘touring production’ is. At the beginning of the production stage a company must intend that it either will present performances in 6 or more separate premises or, it will present performances of the production in at least two separate premises and that the number of the performances must be more than 14.
27. New section 1217KA defines a surrenderable loss and a relevant unused loss, and sets out how the available loss and any loss carried forward are to be calculated. The surrenderable loss is the lesser of the trading loss and the available qualifying expenditure.
28. New section 1217KB provides that where a company is entitled to a theatre tax credit for a period, and it claims that credit, the Commissioners for Her Majesty’s Revenue and Customs will pay the credit to the company.
29. New section 1217KC sets out that for State aid purposes the total amount of any theatre tax credits for each undertaking must not exceed 50 million euros per year. “Undertaking” must be interpreted within the context of the General Block Exemption Regulation.

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30. New section 1217LA sets out that a company does not qualify for relief where the main or one of the main purposes of the arrangements to claim the tax credit or otherwise benefit from the relief is to obtain a tax advantage.
31. New section 1217LB sets out that where a transaction is attributable to arrangements entered into otherwise for genuine commercial reasons to inflate the amount of a claim then that transaction is disregarded when computing the additional deduction.
32. New section 1217M sets out the application of the new section 1217MA to 1217MC.
33. New section 1217MA provides that losses made before the completion period of a separate trade are only available to be carried forward to be set against the profits of the separate theatrical trade.
34. New section 1217MB provides for how losses are to be treated in the completion period.
35. New section 1217MC provides for how terminal losses are to be treated and the circumstances in which terminal losses can be transferred.
36. New section 1217N sets out the conditions for claiming provisional relief, such as, a company is not entitled to relief in an interim accounting period unless it includes, in its company tax return for the period, a statement of the planned amount of EEA expenditure and that amount of expenditure meets the condition in 1217GB
37. New section 1217NA allows for the clawback of provisional relief where it subsequently appears the EEA condition will not be met. It sets out what a company must do if it no longer qualifies for relief and also what to do when it ceases to carry on the theatrical trade.
38. New sections 1217O to OB concern the interpretation of various terms within the Schedule.

PART 2: Consequential Amendments

39. Part 2 contains consequential amendments to the Taxes Act.
40. Paragraph 2 covers the necessary consequential amendments to ICTA 1988.
41. Paragraphs 3 to 6 cover the necessary consequential amendments to FA 1998.
42. Paragraphs 7 covers the necessary consequential amendments to CAA 2001.
43. Paragraph 8 covers the necessary consequential amendments to FA 2007.
44. Paragraphs 9 to 13 cover the necessary consequential amendments to CTA 2009.

45. Paragraph 14 covers the consequential amendments to FA 2009.
46. Paragraph 15 covers the necessary consequential amendments to CTA 2010.

PART 3: Commencement

47. Paragraphs 16 and 17 set out that the commencement date of the new relief is for accounting periods beginning on or after 1 September 2014. Where a company has an accounting period starting before the 1 September 2014 and ending after that day i.e. it straddles the date of commencement, for the purposes of the relief there will be a deemed accounting period ending on 31 August 2014 and another commencing on 1 September 2014.

BACKGROUND NOTE

48. The new tax relief for theatrical productions will allow qualifying companies engaged in the production of theatre to claim an additional deduction in computing their taxable profits and where that additional deduction results in a loss, to surrender those losses for a payable tax credit.

49. Both the additional deduction and the payable credit are calculated on the basis of UK core expenditure up to a maximum of 80% of the total core expenditure by the qualifying company. The additional deduction is 100% of qualifying core expenditure and the payable tax credit is 25% of losses surrendered for touring productions and 20% for all other theatrical productions.

50. The credit is based on the company's qualifying expenditure on the production of a qualifying theatrical production of which at least 25% of the qualifying expenditure must be on goods or services that are provided for from within the European Economic Area.

51. The aim of this new relief is to encourage and support UK theatre producers to continue to develop, and to incentivise touring productions.

52. In March 2014 a Stage 2 consultation document: 'Theatre tax relief' was published giving more detail on the design proposals.



Theatre Tax Credit

Who is likely to be affected?

Companies, within the charge to corporation tax, that are directly involved in the production of theatrical works.

General description of the measure

The measure will enable eligible companies to claim tax relief for qualifying expenditure on theatrical productions.

Policy objective

The measure aims to encourage and support theatre production in the UK, with particular emphasis on touring productions.

Background to the measure

This measure was announced at Autumn Statement 2013. A consultation on the design of the relief, 'Theatre Tax Relief' was published on 27 March 2014 and closed on 8 May 2014. The Government's response to the consultation was published on 26 June 2014.

Detailed proposal

Operative date

The measure will have effect for qualifying expenditure incurred on and after 1 September 2014.

Current law

There are currently no targeted tax reliefs for this sector.

The new tax credit for theatrical productions is based on the successful film tax relief (FTR). Since its introduction in January 2007, the FTR has supported £9.8 billion of investment into 1,050 British films which have received approximately £995 million in relief.

Budget 2012 set out new corporation tax reliefs for the animation, high-end television and video games industries.

Proposed revisions

Legislation will be introduced in Finance Bill 2014 to introduce a corporation tax relief for theatre productions.

The tax relief for theatre productions will allow eligible companies engaged in the production of qualifying theatrical productions to claim an additional deduction in computing their taxable profits, and where that additional deduction results in a loss, to surrender those losses for a payable tax credit.

- The additional deduction is 100 percent of the qualifying core expenditure; and
- The payable tax credit is 20 per cent of losses surrendered, increasing to 25 per cent for touring productions.

Both the additional deduction and the payable tax credit are calculated on the basis of European Economic Area core expenditure up to a maximum of 80 per cent of the total core expenditure by the qualifying company.

Summary of impacts

Exchequer impact (£m)	2014-15	2015-16	2016-17	2017-18	2018-19
	-5	-15	-20	-20	-20
	<p>These figures are set out in Table 2.1 of the Budget 2014 and have been certified by the Office for Budget Responsibility. More details can be found in the policy costings document published alongside the Budget. Any revisions to this costing will be included by the Office for Budget Responsibility in its forecast at Autumn Statement 2014.</p>				
Economic impact	<p>The measure is expected to have a positive impact on the theatre industry, but is not expected to have significant wider macroeconomic impacts.</p>				
Impact on individuals and households	<p>The relief will only be available to theatrical production companies, and so is unlikely to impact on individuals and households.</p>				
Equalities impacts	<p>The Government has carefully considered whether this measure impacts on people with protected characteristics and has not identified any equalities impacts.</p>				
Impact on business including civil society organisations	<p>The tax relief for theatre production will allow qualifying companies to claim a payable tax credit, supporting the theatre sector and particularly touring productions. There are approximately 250 theatre production companies in the UK that may benefit from the relief each year.</p> <p>Eligible companies may face some one-off and ongoing administrative costs in order to qualify for this relief. There will be negligible one-off costs associated with familiarisation with new legislation, processes and requirements. The ongoing costs include costs of calculating and claiming the relief. It is estimated that on average companies will make one claim per year. Estimates of compliance costs are shown in the table below, including an estimate of total costs for a five year period at present value.</p> <p>The Government consulted widely with the industry to ensure that the design of the relief would work for the not-for-profit sector. We estimate that the additional costs incurred by charities will be similar to those incurred by companies.</p> <p>This measure is expected to have no impact on civil society organisations. Estimates of compliance costs are shown in the table below, including an estimate of total costs for a five year period at present value.</p>				
Operational impact (£m) (HMRC or other)	<p>The estimated annual cost to HM Revenue & Customs of administering the new tax relief is £100,000.</p>				

	Cost	Time Period (yrs)
Compliance Costs		
One-off Costs	negligible	N/A
Average Annual Costs	£0.1m to £0.4m	5
Total Costs (PV)	£0.5m to £2m	N/A
Compliance Benefits		
One-off Benefit	N/A	N/A
Average Annual Benefit	N/A	N/A
Total Benefit (PV)	N/A	N/A
Net Benefit (NPV)	-£0.5m to -£2m	N/A
Impact on Administrative Burden (included in Net Benefit)		
Increase	Decrease	Net Impact
£0.1m to £0.4m	£0	£0.1m to £0.4m
Other impacts	<p><u>Small and micro business assessment</u>: the Government recognises that there may be some increase in administration impacts on small businesses. However, overall the tax relief will impact positively on qualifying small companies. There will also be a specialist unit set up to help facilitate claims.</p> <p><u>Competition assessment</u>: this relief is targeted at a specific sector. All companies in this sector are eligible, so introduction is unlikely to affect competition within the sector. There should not be any significant impact on competition with other business sectors.</p> <p>Other impacts have been considered and none have been identified.</p>	

Monitoring and evaluation

The new reliefs will be monitored alongside other measures in the Government's package of corporation tax reforms.

Further advice

If you have any questions about this change, please contact Kerry Pope on 03000 585740 (email: kerry.pope@hmrc.gsi.gov.uk) or contact Des Ryan on 03000 585895 (email: des.ryan@hmrc.gsi.gov.uk).

Declaration

David Gauke MP, Exchequer Secretary to the Treasury has read this Tax Information and Impact Note and is satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impacts of the measure.