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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2006, Part 3. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 5

#### FILM TAX RELIEF: FURTHER PROVISIONS

#### PART 3

#### CONSEQUENTIAL AMENDMENTS

##### *Interest*

- 26 (1) Section 826 of ICTA (interest on tax overpaid etc) is amended as follows.
- (2) In subsection (1) (payments that carry interest) after paragraph (e) insert—
- “; or
- (f) a payment of film tax credit falls to be made to a company.”.
- (3) After subsection (3B) insert—
- “(3C) In relation to a payment of film tax credit the material date is whichever is the later of—
- (a) the filing date for the company's company tax return for the accounting period for which the tax credit is payable, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment is delivered to an officer of Revenue and Customs.
- For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the Finance Act 1998.”.
- (4) In subsection (8A) (recovery of overpaid amounts)—
- (a) in paragraph (a), for “or (e)” substitute “, (e) or (f) ”;
- (b) in paragraph (b)(ii) after “life assurance company tax credit” insert “ or film tax credit ”.
- (5) In subsection (8B) after “life assurance company tax credit” (twice) insert “ or film tax credit ”.

##### *Claim to be made in tax return*

- 27 In Schedule 18 to FA 1998 (company tax returns), in paragraph 10 (other claims etc to be included in return), after sub-paragraph (3) insert—
- “(4) A claim to which Part 9D of this Schedule applies (claims for film tax relief) can only be made by being included in a company tax return (see paragraph 83T).”.

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*Recovery of excessive film tax credit*

- 28 In paragraph 52 of that Schedule (recovery of excessive repayments etc)—
- (a) in sub-paragraph (2) (excessive repayments etc to which paragraphs 41 to 48 apply), after paragraph (bc) insert—
    - “(bd) film tax credit,”;
  - (b) in sub-paragraph (5) (connection of assessment for excessive payment to an accounting period), after paragraph (ad) insert—
    - “(ae) an amount of film tax credit paid to a company for an accounting period,”;
  - (c) in the closing words of that sub-paragraph, after “(ad)” insert “ , (ae) ”.

*Claims for film tax credits*

- 29 After Part 9C of that Schedule insert—

**“PART 9D**

CLAIMS FOR FILM TAX RELIEF

**Introduction**

- 83S This Part of this Schedule applies to claims for film tax relief.

**Claim to be included in company tax return**

- 83T (1) A claim to which this Part of this Schedule applies must be made by being included in the claimant company's tax return for the accounting period for which the claim is made.
- (2) It may be included in the return originally made or by amendment.

**Content of claim**

- 83U A claim to which this Part of this Schedule applies must specify the amount of the relief claimed, which must be an amount quantified at the time the claim is made.

**Amendment or withdrawal of claim**

- 83V A claim to which this Part of this Schedule applies may be amended or withdrawn by the claimant company only by amending its company tax return.

**Time limits for claim**

- 83W (1) A claim to which this part of this Schedule applies may be made, amended or withdrawn at any time up to the first anniversary of the filing date for the company tax return of the claimant company for the accounting period for which the claim is made.

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- (2) The claim may be made, amended or withdrawn at a later date if an officer of Revenue and Customs allows it.

### **Penalty**

- 83X (3) The company is liable to a penalty where it—
- (a) fraudulently or negligently makes a claim for a film tax credit that is incorrect, or
  - (b) discovers that a claim for a film tax credit made by it (neither fraudulently nor negligently) is incorrect and does not remedy the error without unreasonable delay.
- (4) The penalty is an amount not exceeding the excess film tax credit claimed, that is, the difference between—
- (a) the amount (if any) of the film tax credit to which the company is entitled for the accounting period to which the claim relates, and
  - (b) the amount of the film tax credit claimed by the company for that period.”.

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