
39 Corporation tax: sporting testimonial payments and associated payments

- (1) After section 996 of CTA 2010 (miscellaneous provisions: use of different accounting periods within a group of companies) insert –

“Sporting testimonial payments and associated payments

996A Deductions from total profits for sporting testimonial payments and associated payments

- (1) This section applies where a company, in any accounting period –
- is the controller of a sporting testimonial, and
 - makes a relevant sporting testimonial payment out of the proceeds of the sporting testimonial.
- (2) In this section “relevant sporting testimonial payment” means a sporting testimonial payment that is (or so much of it as is) made out of proceeds of a relevant event or activity which are brought into account in determining the company’s total profits or any component of its total profits.
- (3) In calculating the amount of corporation tax chargeable for the accounting period, an amount equal to the aggregate of the following amounts is allowed as a deduction from the company’s total profits –
- so much of the relevant sporting testimonial payment as is paid to or for the benefit of the sports person to whom the sporting testimonial relates,
 - any income tax or employee’s national insurance contributions deducted at source from that payment, and
 - any employer’s national insurance contributions relating to that payment.
- (4) The amount is deducted –
- from the company’s total profits for the accounting period in which the relevant sporting testimonial payment is made, and
 - if a claim by the company for relief so requires, previous accounting periods.
- (5) A claim under subsection (4)(b) must be made within 2 years after the end of the accounting period in which the relevant sporting testimonial payment is made.
- (6) If for an accounting period deductions under subsection (4) are to be made for relevant sporting testimonial payments made in more than one accounting period, the deductions are to be made in the order in which the payments were made (starting with the earliest of them).
- (7) The amount of the deduction to be made under subsection (4) for an accounting period is the amount that cannot be deducted under that subsection for a subsequent accounting period.
- (8) The amount of the deduction to be made for any accounting period is limited to the amount that reduces the company’s taxable total profits for that period to nil.

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- (9) The deduction is only available if and to the extent that the amount mentioned in subsection (3) is not otherwise deductible in calculating the company's total profits or any component of its total profits.
- (10) In this section "controller of a sporting testimonial" means the person who is responsible for the disbursement of the proceeds of the sporting testimonial (see section 226E(3)(b) of ITEPA 2003).
- (11) Terms used in this section and in section 226E of ITEPA 2003 have the same meaning as in that section."
- (2) The amendment made by subsection (1) has effect in relation to a relevant sporting testimonial payment made out of the proceeds of a sporting testimonial if—
- (a) the sporting testimonial was made public on or after 25 November 2015, and
 - (b) the payment is made out of the proceeds of relevant events or activities which take place on or after 6 April 2017.
- (3) Terms used in subsection (2) and in section 226E of ITEPA (as inserted by section 37) have the same meaning as in that section.

Withdrawn - do not use