CORPORATION TAX

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Third edition

H. C. D. RANKIN and D. M. CATTERALL

M
MACMILLAN

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PREFACE

This is the third edition of *Corporation Tax*, which was first published over a decade ago. Since that time the book has established itself as a favourite text of students studying for the examinations of accountancy and other professional bodies and those of universities and colleges.

The text of this third edition has been completely revised and updated, much new material being included in the chapters on Capital Allowances (Chapter 2) and the Foreign Element (Chapter 7). As well as a full treatment of the Computation of Profit in Chapter 1 and the Computation and Use of Losses in Chapter 4, Close Companies continue to be fully considered in Chapter 6. Questions of final examination standard are placed at the end of each chapter, and in addition a selection of examination questions (with worked solutions by the authors) from the final examinations of the Institute of Chartered Accountants of Scotland, the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Secretaries and Administrators and the Chartered Association of Certified Accountants are included (Appendixes 3 and 4). We are grateful to these bodies for their permission to use examination questions and other materials published by them.

Members of the accountancy and other professions who are looking for an overview of the principles of corporation tax, written in a clear descriptive style, will find it in this volume.

Many people assisted in the preparation of this edition. Penny Tuck BSc., ACA ATII and Iain Robertson MA, both with Deloitte Haskins & Sells, Cambridge, updated much of the text and statutory references; Janet Rankin MA CA with Price Waterhouse, London, revised chapter and examination questions; Mary Woodley with Rankin & Co., Edinburgh, processed the new texts and material with unfailing good humour and intelligence. These and the many other persons who assisted in various ways have our sincere thanks.

The authors hope that many new readers of *Corporation Tax* will find understanding and examination success by studying this new edition.

H. C. D. Rankin
D. M. Catterall

ABBREVIATIONS

ABA	Agricultural buildings allowance
ACT	Advance corporation tax
AP	Accounting period
BA	Balancing allowance
CA 1985	Companies Act 1985
CAA 1968	Capital Allowances Act 1968
CFC	Controlled foreign company
CGTA 1979	Capital Gains Taxes Act 1979
FA	Finance Act (e.g., Finance Act 1978)
F(2)A 1987	Finance (No.2) Act 1987
FII	Franked investment income
FY	Financial year
FYA	First year allowance
IA	Initial allowance
IBA	Industrial buildings allowance
IDA 1982	Industrial Development Act 1982
OECD	Organisation for Economic Co-operation and Development
Para.	Paragraph (of an Act schedule or an Act section or subsection)
PAYE	Pay-as-you-earn
S. and Ss.	Section and sections (of an Act)
Sched.	Schedule (of an Act)
SLA	Short life asset
TA 1970	Income and Corporation Taxes Act 1970
TA 1988	Income and Corporation Taxes Act 1988
TMA 1970	Taxes Management Act 1970
UFII	Unfranked investment income
WDA	Writing down allowance
WDV	Written down value