

Corporation Tax Pay & File – due dates for payment and filing

Payment

This is fixed by S27 which states:

27 Time for payment of tax

Subject to section 32, corporation tax for a corporation tax year charged on the income of an accounting period shall be due and payable on the day following the expiry of eight months from the end of that accounting period (whether or not the tax has been assessed).

(S32 deals with pre 1996 companies previously paying income tax).

The end of an Accounting period is dealt with by S26(3) which states:

26 Accounting periods

(1) This section has effect in relation to corporation tax for the purpose of determining when an accounting period of a company begins and ends.

(2) An accounting period of a company begins, unless the Commissioner otherwise approves, whenever-

- (a) the company, not then being within the charge to corporation tax, comes within it, whether by the company becoming resident in the Falkland Islands or acquiring a source of income, or otherwise; or
- (b) an accounting period of the company ends without the company then ceasing to be within the charge to corporation tax.

(3) An accounting period of a company shall end for the purposes of corporation tax, unless the Commissioner otherwise approves, on the occurrence of the first of the following-

- (a) the expiration of twelve months from the beginning of the accounting period;
- (b) an accounting date of the company or the end of any period for which the company does not make up accounts;
- (c) the company beginning or ceasing to trade or to be, in respect of the trade or (if more than one) of all the trades carried on by it, within the charge to corporation tax;
- (d) the company beginning or ceasing to be resident in the Falkland Islands;
- (e) the company ceasing to be within the charge to corporation tax.

[S. 5(1)/Ord. 18/12/effective in respect of accounting periods beginning on or after 1 January 2013.]

So for a non-resident company, the AP ends when the FI activity ends as a non-resident company with no FI income is not within the charge to CT.

S26(3) was amended by Ord. 18/12 to insert the words 'unless the Commissioner approves otherwise' to enable us to accept an AP of say 01/10 – 31/05 as one AP for a company that made up accounts to say 31 December and only had one period of activity in FI.

Filing

This is covered by S30(1) which states:

30 Filing of accounts, etc.

(1) Subject to section 32, a company which is chargeable to corporation tax for any corporation tax year shall deliver to the Commissioner-

- (a) a return of its income and profits in such form as the Commissioner may prescribe; and
- (b) the accounts of the company for the period of account which is or includes the whole or any part of the accounting period by reference to which the company is chargeable to tax for that year,

within nine months of the end of that period of account.

[S. 3(2)/Ord. 26/98/ to be deemed always to have had effect.]

'Period of Account' and 'Accounting period' are defined by S2:

"**accounting period**" has the meaning given by section 26;

"**period of account**", in relation to a company or a business, means a period for which the accounts of the company or business are made up;

Example 1

A non FI resident company makes up accounts to 31 December each year and is active in FI for the period 3 June to 3 August 2013

AP ends on 3 August 2013 and payment due date is 4 April 2014.

PoA ends on 31 December 2013 and filing due date is 30 September 2014.

Example 2

A non FI resident company makes up accounts to 31 December each year and is active in FI for the period 1 October 2012 to 31 May 2013.

The filing of a return for one AP ending on 31 May 2013 can be applied for. If accepted the payment due date is 1 February 2014.

PoA's end on 31 December 2012 and 31 December 2013. Filing due date is 30 September 2013 re the AP falling within the 2013 accounts and 30 September 2014 for the AP falling within the 2012 accounts. The Commissioner has discretion to extend filing deadlines.