

A.6 RATES OF CORPORATION TAX (1)

Financial year commencing 1 April	Starting rate (2)			Small companies' rate (3)			Main rate (4)	Advance rate on distributions (5)		
	Rate %	Range of profit for marginal tax relief		Marginal tax relief fraction	Rate %	Range of profit for marginal tax relief			Marginal tax relief fraction	
		Lower limit (6) £	Upper limit (6) £			Lower limit (6) £	Upper limit (6) £			
1971	-	-	-	-	40	-	-	40	-	
1972	-	-	-	-	40	-	-	40	-	
1973	-	-	-	-	42	25,000	40,000	1/6	52	3/7
1974	-	-	-	-	42	25,000	40,000	1/6	52	33/67
1975	-	-	-	-	42	30,000	50,000	3/20	52	35/65
1976	-	-	-	-	42	40,000	65,000	4/25	52	35/65
1977	-	-	-	-	42	50,000	85,000	1/7	52	34/66
1978	-	-	-	-	42	60,000	100,000	3/20	52	33/67
1979	-	-	-	-	40	70,000	130,000	7/50	52	3/7
1980	-	-	-	-	40	80,000	200,000	2/25	52	3/7
1981	-	-	-	-	40	90,000	225,000	2/25	52	3/7
1982	-	-	-	-	38	100,000	500,000	7/200	52	3/7
1983	-	-	-	-	30	100,000	500,000	1/20	50	3/7
1984	-	-	-	-	30	100,000	500,000	3/80	45	3/7
1985	-	-	-	-	30	100,000	500,000	1/40	40	3/7
1986	-	-	-	-	29	100,000	500,000	3/200	35	29/71
1987	-	-	-	-	27	100,000	500,000	1/50	35	27/73
1988	-	-	-	-	25	100,000	500,000	1/40	35	25/75
1989	-	-	-	-	25	150,000	750,000	1/40	35	25/75
1990	-	-	-	-	25	200,000	1,000,000	9/400	34	25/75
1991	-	-	-	-	25	250,000	1,250,000	1/50	33	25/75
1992	-	-	-	-	25	250,000	1,250,000	1/50	33	25/75
1993	-	-	-	-	25	250,000	1,250,000	1/50	33	9/31
1994	-	-	-	-	25	300,000	1,500,000	1/50	33	20/80
1995	-	-	-	-	25	300,000	1,500,000	1/50	33	20/80
1996	-	-	-	-	24	300,000	1,500,000	9/400	33	20/80
1997	-	-	-	-	21	300,000	1,500,000	1/40	31	20/80
1998	-	-	-	-	21	300,000	1,500,000	1/40	31	20/80
1999	-	-	-	-	20	300,000	1,500,000	1/40	30	20/80
2000	10	10,000	50,000	1/40	20	300,000	1,500,000	1/40	30	-
2001	10	10,000	50,000	1/40	20	300,000	1,500,000	1/40	30	-
2002	0	10,000	50,000	19/400	19	300,000	1,500,000	11/400	30	-
2003	0	10,000	50,000	19/400	19	300,000	1,500,000	11/400	30	-
2004	0	10,000	50,000	19/400	19	300,000	1,500,000	11/400	30	-
2005	0	10,000	50,000	19/400	19	300,000	1,500,000	11/400	30	-
2006	-	-	-	-	19	300,000	1,500,000	11/400	30	-
2007 (7)	-	-	-	-	20	300,000	1,500,000	1/40	30	-
2008 (7)	-	-	-	-	21	300,000	1,500,000	7/400	28	-
2009 (8)	-	-	-	-	22	-	-	28	-	-

Table updated March 2008

(1) Information on the special rates of tax that applied until the mid 1980's to companies' chargeable gains and to the profits of co-operative and building societies can be found in Inland Revenue Statistics 1999 and earlier editions.

(2) Introduced on profits below the lower profit limit earned after 1 April 2000. Between the lower and upper limits, taxable profits are charged at the small companies' rate with marginal tax relief given, at the fraction shown, on the amount by which the upper profit limit for the starting rate exceeds taxable profits. From April 2004 a minimum 'non-corporate distributions' rate of 19% applied to profits distributed to persons who were not companies. The starting rate of CT and the 'non-corporate distributions' rate were replaced by the small companies' rate on profits earned from 1 April 2006 (as announced in the 2005 Pre-Budget Report).

(3) Applies to profits earned between the upper profits limit for the starting rate (from April 2000) and the lower limit for the small companies' rate. Between the lower and upper limits for the small companies' rate, taxable profits are charged at the main rate with marginal tax relief given, at the fraction shown, on the amount by which the upper profit limit exceeds taxable profits.

(4) Applies to taxable profits above the upper limit for small companies' relief. From 17 April 2002 North Sea ring fence profits have attracted a supplementary corporation tax rate of 10% which was increased to 20% from 1 January 2006

(5) Advance corporation tax was abolished on dividends paid on or after 6 April 1999 when quarterly instalment payments for companies paying at the main rate were introduced.

associated.

(7) The main, supplementary, and small companies' rates of corporation tax in respect of ring fence profits remain unaltered at 30%, 20% and 19% respectively.

(8) The increase in the small companies' rate is as proposed in the Chancellor's 2007 Budget Statement. To operate the CT instalment regime the main rate of CT has to be set a year in advance.