



Email cpcteam@hmrc.gov.uk

Web www.gov.uk

Date

Dear Sir or Madam

Differences in the loss amounts of Company Tax Returns

We're writing to you about some of your clients Company Tax Returns.

We've identified inconsistencies with some Company Tax Returns where the loss amounts reported in the CT600 form is different from the accompanying tax computations.

When the Corporation Tax loss reform rules were introduced on 1 April 2017, the treatment of brought-forward losses changed. In some instances, we've found that one or more boxes on the CT600 form have included brought-forward amounts, which isn't in line with these rules.

In the CT600 form, the boxes which could be affected are:

- 805 and/or 810 UK property business losses – section 102 of the Corporation Tax Act 2010
- 830 and/or 835 non-trading losses on intangible fixed assets – section 104 of the Corporation Tax Act 2010
- 850 and/or 855 management expenses – section 103 of the Corporation Tax Act 2010

What we're doing

We're working with affected software providers to fix the inconsistencies.

We're also going to write to your clients to explain the situation and tell them that we'll be using the amounts in the tax computations as the accurate loss position of the company. We will do this for any of the boxes, referenced above, which have been affected.

If your clients are happy with this, they don't need to do anything else.

If your client does not want us to use the tax computations

We've enclosed a sample copy of the letter which we'll be sending to your clients. If they do not want us to use the tax computations, they should email us at cpcteam@hmrc.gov.uk.

If you're contacting us on behalf of your client, please use the same email address above and include the caseflow reference number on your client's letter in the subject title. Please make sure your clients are aware that not every box will be affected by this issue. You should talk to your client about this before contacting us.

Submitting future Company Tax Returns

We need to allow software providers time to update their product.

In the meantime, if inconsistencies arise, we'll use the tax computations as the accurate loss amount of the company.

Further information about Company Tax Returns

Go to www.gov.uk/guidance/the-company-tax-return-guide

Yours faithfully

CCG CT Team