ONESOURCE™ CORPORATE TAX

UNITED KINGDOM RELEASE NOTES

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Document Version 1

THOMSON REUTERS®

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	05/06/2019	ONESOURCE Corporate Tax v12.0 Release

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ONESOURCE CORPORATE TAX RELEASE NOTES

For documentation and other product information, search the Customer Center.

COMPUTATION PACKS

COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
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The computation template to support tax provisioning calculations for periods ending in FY 2020.</td></tr>
<tr><td>Group</td><td>Covering the following group module templates for the Financial Year 2019: -
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• Tax reporting – Tax accounting consolidation
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The group tax reporting template to support tax provisioning consolidation for periods ending in FY 2020.</td></tr>
<tr><td>PRT</td><td>Covering the following computation templates for period ending 30th June 2020: -
• PRT return
• PRT declarations
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Supporting returns forms, statements, claims and notices: -
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• PRT6 – Statement of tax payable on accounts
• PRT30 – Expenditure claim
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<tr><td>Partnership</td><td>Covering computation templates supporting partnership calculations and supporting the SA800 return form and supplementary pages for the year ended 5 April 2019.</td></tr>
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COMPUTATION PACK	COMPUTATIONS, CLAIMS AND FORMS SUPPORTED
NRL	Covering computation templates supporting NRL calculations and supporting SA700 return form for the year ended 5 April 2019.

CHANGES AND UPDATES - FORMS

AREA OF CHANGE	DETAILS AND LIMITATIONS
New CT600 forms	We have updated ONESOURCE to include the latest version of the company tax return and associated efiling rules and validations. This includes an updated CT600 and CT600I (Supplementary charge in respect of ring fence trades). The updates relate to new reporting requirements for the purposes of quarterly instalments for very large companies and Transferred tax history. For further guidance please refer to the updated CT600 guide included in this release.
Quarterly instalment payments for very large companies	For accounting periods that begin on or after 1 April 2019, very large companies, that is companies with taxable profits of more than £20 million, will be required to pay CT instalments 4 months earlier than large companies. We have added additional functionality to the **Tax payments and interest / Tax instalments paid** and **Payments on account** sheets to support calculations for CT, AIF and Investment trust calculations under the new rules. Information if the company was a very large company for the purposes of quarterly instalments will be entered into box 631 of the CT600.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Transferred Tax History	The Finance Act 2019 introduced a mechanism by which an oil company may transfer a portion of its historic profits, and the associated tax paid on those profits, to another company on the sale of an oil licence approved on or after 1 November 2018. The legislation introduces new compliance requirements, in particular the calculation of the cap on the transfer tax history (TTH) amount, and the requirement to track and report profits on an asset by asset basis. Page 3 of the CT600I needs to be completed if the company made a joint election to TTH. Where the company has acquired TTH, it is required to submit details of the tracked profits of the transferred asset alongside its annual corporation tax return. A new sheet has been added to the oil ring fence company computations to allow the user to comply with the new CT600I reporting requirements.
Boxes 705 and 710 of CT600	We have updated allowances and charges included in boxes 705, 710, 725 and 730 of the CT600, in line with HMRC requirements.
CT600 page 9	Following recent clarifications received from HMRC on completion of the **Losses, deficits and excess amounts** section on the CT600, we have updated boxes 805, 810, 830, 835, 850 and 855 of the CT600. These now include pre- and post- April 2017 brought forward losses amounts where relevant. This has been updated for FY 2018 files as well as FY 2019 files, but we do not amend FY 2018 files where these have already been submitted to HMRC.
First Year Allowance for electric vehicle charge points	We have made changes to existing capital allowances sheets to allow users to claim First Year Allowance on electric vehicle charge points. Claimed amounts are included in box 725 of the CT600.
New SA800	We have updated ONESOURCE to include new 2019 Partnership tax return and associated efiling rules and validation. The updates primarily relate to new disguised remuneration reporting requirements.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Disguised remuneration	The charge on outstanding disguised remuneration loans was introduced in the Finance Act (No. 2) 2017, and all outstanding loans will be 'deemed' to be earnings on 5 April 2019. Box 3.94 has been added to the 2019 SA800 forms to indicate if the net profit or allowable loss includes any disguised remuneration, which is copied to box 12A in the Partnership Statement. Changes have been made to the **Individual partner's details (R)** and **Partners' statements' summary** sheets to support this reporting requirement. Existing functionality should allow the user to include the amount of disguised remuneration in box 3.67 of the SA800.

CHANGES AND UPDATES - OTHER

AREA OF CHANGE	DETAILS AND LIMITATIONS
Structures and buildings allowance	Finance Act 2019 introduced a new Structures and buildings allowance (SBA) for qualifying construction expenditure on non-residential structures and buildings. For relief to be available, the contract for the works must have been entered into on or after 29 October 2018 and the building or structure must have been brought into use for a qualifying activity. A new sheet has been added for CT and Life FY 2019 computations, and Partnership and NRL computations for 2018/19. The sheet allows qualifying expenditure to be captured and allowances calculated from the date the asset was brought into use, and reported on the tax return. The tax accounting sheets for FRS 102 (J) and IFRS (I) sheets, have been updated to accommodate any deferred tax impact of assets qualifying for SBA's.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Temporary increase in Annual Investment allowance	The **Annual Investment Allowance (AIA)** amount has temporarily increased from £200,000 to £1,000,000 between 1 January 2019 and 31 December 2020. We have amended AIA limits together with the calculation of the maximum allowance for chargeable periods which straddle 1 January 2019 or 1 January 2021 on the **Annual investment allowance** sheet for CT, Life, Investment trust and Partnership computations. In Partnership computations, due to e-filing validations, AIA claimed entered in boxes 3.13A and 1.35A are restricted to £400,000. The amount of AIA claimed that exceeds £400,000 should be entered in boxes 3.20 or 3.16 and in box 3.116. **Capital allowances** and the **Additional information** sheets have been updated to comply with these requirements. Relevant AIA amounts have been updated in Investment trust and NRL computations.
Special rate expenditure on plant and machinery	The rate of capital allowances on special rate pool assets has been decreased from 8% to 6% for expenditure incurred on or after 1 April 2019 for corporation tax purposes, and 6 April 2019 for income tax purposes. The rate has been updated on the relevant capital allowances sheets for CT, Life, Investment trust and Partnership computations. When a chargeable period spans the relevant change date, a hybrid rate is calculated.
Leases – IFRS 16	Transitional adjustments may arise on the adoption of IFRS 16. Such adjustments can be captured in the tax computation on the **Change in basis** sheet and any tax adjustment spread over a specific period of days, as defined by HMRC's spreading methodology. This applies only to the spreading of a transition adjustment arising from adoption of IFRS 16 and is applied by way of a selector on specific rows on the **Change in basis** sheet.
Intangible fixed assets	Changes have been made to the **Intangible fixed asset** sheets to allow the user to claim the fixed rate annual allowance of 6.5%, applying to certain goodwill and other IP assets from 1 April 2019.
Terminal loss relief	New terminal loss relief functionality has been added to the **Losses and allowances** and the **Calculation of tax liability** sheets for CT computations, to allow a company to claim terminal loss relief for carried forward losses when a trade has ceased. Any unused carried-forward trading losses can be carried back and set against profits of the three years ending with the date of cessation without restriction.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Group relief for Carried Forward losses	We have added additional functionality to the **Losses – post-March 2017 utilisation** sheet for CT computations to allow the user to offset group relief for carried-forward losses claimed against the group deductions allowance. The amounts of group relief claimed can be linked from the group module.
Patent box FA 2016	In line with HMRC guidance for tagging, a new selector has been made available on the **Relevant IP income sub-stream** sheet for CT computations, where the sub-stream type selected is either “Product” or “Process”, to indicate where the sub-stream includes multiple products or processes.
Transferred trades carried forward losses	We have added additional functionality to the **Losses and allowances** and **Loss Streaming** sheets for CT computations to allow losses arising after April 2017 to be carried forward from periods before the transfer and relieved in periods following the transfer, where a trade is transferred between companies in common ownership.
Qualifying Charitable Donations	The figures of Qualifying charitable donations in the **Losses and allowances** sheet are now in the current period loss utilisation section for CT computations.
Corporate interest restriction	The total column on the **Corporate interest restriction - values** sheet now always prints when there is any value in any of the supporting columns.
Chattel exemption	The chattel exemption calculations within the **Assets acquired after 31/03/82** sheet for CT computations, has been amended to ensure that deemed proceeds of £6,000 are used where there is a loss.
Loss relief against BLAGAB profits	Finance Act 2019 amended legislation covering the utilisation of brought forward BLAGAB trading losses against BLAGAB trading profits, and the utilisation of brought forward losses against BLAGAB I-E profits. The new legislation applies from 6 July 2018. Changes have been made to the BLAGAB working papers and the **Losses - post-March 2017** utilisation sheet to apply these rules from 6 July 2018. For periods straddling 6 July 2018, BLAGAB-related profits and losses are time-apportioned between the two notional periods, with users able to override this apportionment. These changes have been made for FY 2018 files as well as FY 2019 files, but we do not amend FY 2018 files where these have already been submitted to HMRC.

AREA OF CHANGE	DETAILS AND LIMITATIONS
Corporate interest restriction for REITs	We have increased the automation of the CIR calculation for a REIT by adding links between the REIT section of the Loan relationship sheet, the **Tax-exempt property – adjustment to profit** sheet and CIR sheets. The Net tax-interest expense and Tax-EBITDA calculated for a REIT (and residual business) are linked to the CIR Group module in the usual way. Any subsequent restrictions or reactivations are then pushed back down to the REIT computation. Manual adjustments are required to split the allocated restriction or reactivation between the REIT and the residual business in line with HMRCs guidance.
Claims and elections	The **Claims and Elections** sheets have been updated for new claims and elections included in the Finance Act 2019 and other relevant legislation.
Fixes to computation files	Following feedback, we now add a working paper **W_FIXES** to files if we make a permanent change to the file. If it appears that the file has already been finalised and submitted we will not amend the file, but instead will add a note to this sheet with an error detailing the issue. As the sheet is a working paper it has no effect on either the printed computations and return or the details submitted to HMRC via efiling.
Unrecognized deferred tax on transfers of trade	Additional data entry cells have been included in **Gross timing differences** to show the current year movement on transfers of trade not recognised. This reduces the amount shown as recognised in equity, OCI or income statement.
RDEC restrictions not recognized for deferred tax	The brought forward and carried forward RDEC restrictions are now linked to **Net timing differences**, and data entry cells provided to show amounts not recognised. The recognised amounts are then taken to the deferred tax section of the **Tax account**. The RDEC restrictions charged/credited to the current tax section of the **Tax account** are now linked independently from the values used for deferred tax.