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## FILM TAX RELIEF: MULTI YEAR CLAIMS

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### Who is likely to be affected?

1. Film production companies making films whose production spans two or more accounting periods and which have some overseas expenditure.

### General description of the measure

2. This measure will correct an unintended anomaly affecting the amount of tax credit claimable where films are produced over more than one accounting period.
3. The Government will legislate for this measure in a Finance Bill to be introduced as soon as possible after the summer recess.

### Operative date

4. The measure has effect for accounting periods ending on or after 9 December 2009 and will be treated for those periods as always having had effect.

### Current law and proposed revisions

5. In any accounting period after the first period, the loss surrenderable for tax credit is currently the lesser of the available qualifying expenditure (cumulative qualifying expenditure to date, less any previously surrendered amount), and the loss incurred in that period.
6. HM Revenue & Customs has become aware of a quirk in the legislation where there is an increased UK spend in the second or later periods. The unintended effect of this is to restrict the amount of tax credit claimable.
7. The proposed revision will adjust the way the amount surrenderable for tax credit is calculated. The calculation will become the lesser of:
  - the available qualifying expenditure; and
  - the loss for the period, plus any unsurrendered loss brought forward.

## **Further advice**

8. This measure was previously announced at the 2009 Pre-Budget Report and a version of this note was published as PBRN07. This note supersedes that version.
9. If you have any questions about this change, please contact Des Ryan on 020 7147 0818 (email: [des.ryan@hmrc.gsi.gov.uk](mailto:des.ryan@hmrc.gsi.gov.uk)). Information about Budget measures is available on the HM Revenue & Customs website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)