

A.6 RATES OF CORPORATION TAX (1)

Financial year commencing 1 April	Starting rate (2)			Small profits rate (3)			Standard fraction (4)	Main rate (5)	Advance rate on distributions (6)	
	Rate	Range of profit for marginal tax relief		Marginal tax relief fraction	Rate	Range of profit for marginal tax relief				
	%	Lower limit (7) £	Upper limit (7) £		%	Lower limit (7) £	Upper limit (7) £	%		
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	-	-	-	-	20	300,000	1,500,000	1/40	30	-
2008	-	-	-	-	21	300,000	1,500,000	7/400	28	-
2009	-	-	-	-	21	300,000	1,500,000	7/400	28	-
2010	-	-	-	-	21	300,000	1,500,000	7/400	28	-
2011	-	-	-	-	20	300,000	1,500,000	3/200	26	-

Table updated May 2011

(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 profits 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 profits rate on profits earned from 1 April 2006 (as announced in the 2005 Pre-Budget Report).

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

Since 1 April 2007 the small profits rate for North Sea ring fence profits has remained at 19%.

(4) Standard fraction was previously called the Marginal small companies relief fraction before 1st April 2010.

(5) Applies to taxable profits above the upper limit for small profits relief. Since 1 April 2008, the main rate for North Sea ring fence profits has remained at 30%. From 17 April 2002 North Sea ring fence profits have attracted a supplementary corporation tax charge of 10%, which was increased to 20% from 1 January 2006 and to 32% from 24 March 2011.

(6) 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.

(7) If a company is associated with others, say because they are in a group, these limits are reduced in proportion to the numbers associated.

