Companies chargeable to capital gains tax in respect of chargeable gains accruing on relevant disposals

Part 22-02-02

This document should be read in conjunction with section 649 Taxes Consolidation Act 1997

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Executive summary

This section provides that companies are chargeable to capital gains tax rather than corporation tax in respect of gains accruing on disposals of development land. It also provides for certain rules relating to such disposals in the case of groups of companies.

2.1 Capital gains tax charge applies

While it is usually the case that a company's chargeable gains are subject to corporation tax (section 78), this section provides that gains accruing to a company on disposals of development land are chargeable to capital gains tax (CGT).

2.2 Groups of companies

Where CGT is chargeable, the provisions of sections 617, 621, 622, 623, 624, 625 and 626 apply as they apply in relation to corporation tax on chargeable gains.

2.3 Payment dates determined by CGT rules

Where the charge is to CGT, payment dates are determined by CGT rules.