



Finance Act 2006

2006 CHAPTER 25

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 3

FILMS AND SOUND RECORDINGS

Film tax relief

39 Conditions of relief: intended theatrical release

- (1) The film must be intended for theatrical release.
- (2) For this purpose—
 - (a) “theatrical release” means exhibition to the paying public at the commercial cinema;
 - (b) a film is not regarded as intended for theatrical release unless it is intended that a significant proportion of the earnings from the film should be obtained by such exhibition.
- (3) Whether this condition is met is determined for each accounting period of the film production company during which film-making activities are carried on in relation to the film, in accordance with the following rules.
- (4) If at the end of an accounting period the film is intended for theatrical release, the condition is treated as having been met throughout that period (subject to subsection (5)(b)).
- (5) If at the end of an accounting period the film is not intended for theatrical release, the condition—
 - (a) is treated as having been not met throughout that period, and

Status: This is the original version (as it was originally enacted).

(b) cannot be met in any subsequent accounting period.

This does not affect any entitlement of the company to relief in an earlier accounting period for which the condition was met.