

Rates and Allowances - Corporation Tax

Corporation Tax on profits - figures

Rates, limits, fractions for financial years starting 1 April	2007	2008
Main rate of corporation tax	30%	28%
Small companies' rate (SCR)*	20%	21%
SCR can be claimed by qualifying companies with profits at an annual rate not exceeding	£300,000	£300,000
Marginal small companies' relief (MSCR) lower limit	£300,000	£300,000
MSCR upper limit	£1,500,000	£1,500,000
MSCR fraction	1/40	7/400
Special rate for authorised investment funds – unit trusts and open-ended investment companies	20%	20%

* For companies with ring fence profits SCR on those profits is 19% with an MSCR fraction of 11/400 for financial years 2007 starting 1 April 2007 and 2008 starting on 1 April 2008. Ring fence profits mean the income and gains from oil extraction activities or oil rights in the UK and UK Continental Shelf.

The main rate of corporation tax applies when profits (including ring fence profits) are at a rate exceeding £1,500,000, or where there is no claim to another rate, or where another rate does not apply.