

# Corporation Tax changes



## Corporation tax: Small Profits Rate

As announced at Budget, the government will legislate in Finance Bill 2021 to introduce a small profits rate of 19% for financial year April 2023. The small profits rate will apply to profits of £50,000 or less.

Companies with profits between £50,000 and £250,000 will be taxed at the main rate of 25% but will be able to claim marginal relief. These thresholds are proportionately reduced for the number of associated companies and for short accounting periods.

## Corporation tax: Main Rate

Legislation will be introduced in Finance Bill 2021 to set the charge to Corporation Tax and set the main rate at 19% for the financial year beginning 1 April 2022.

**As announced at Budget, legislation will also be introduced in Finance Bill 2021 to set the charge to Corporation Tax and set the main rate at 25% for the financial year beginning 1 April 2023.**