

Companies chargeable to capital gains tax in respect of chargeable gains accruing on relevant disposals (S.649)

Part 22-02-02

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

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Introduction

Section 649 of the Taxes Consolidation Act (“TCA 1997”) provides that companies are chargeable to Capital Gains Tax (“CGT”) rather than Corporation Tax (“CT”) 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 CGT charge applies

While it is usually the case that a company’s chargeable gains are subject to CT (section 78 TCA 1997), this section provides that gains accruing to a company on disposals of development land are chargeable to CGT.

2.2 Groups of companies

Where CGT is chargeable, the provisions of **sections 617, 621, 622, 623, 624, 625 and 626** TCA 1997 apply as they apply in relation to CT on chargeable gains.

2.3 Payment dates determined by CGT rules

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