

## DISTRIBUTABLE PROFITS CHARGE COMPUTATION

Period of Account  to  Tax Ref

Total Taxable Profit from all sources (Note 1) £

Less: Profits subject to Manx Income Tax at 10% £

Less: UK / Foreign **income** taxed at 18% or greater (Note 3) £

Less: **Tax** on UK / Foreign income at a rate of less than 18% (Note 4) £

**Distributable Profit** £  (box A)

Percentage of Resident shareholders  % (box B)

Total Number of Shares

### **CALCULATION OF DISTRIBUTABLE PROFITS CHARGE:**

**Total DPC Payable** (box A x "relevant rate" x 18% x box B) (Note 5) £

#### Notes:

1. Taxable profit is the profit after all adjustments required for tax purposes including capital allowances, loss relief and group relief.
2. Income subject to foreign tax at a rate that is equal to or greater than 18% does not form part of the "distributable profits" of a company. Deduct the amount included in Total Taxable Profit (i.e. net of any expenses claimed).
3. Income subject to foreign tax at a rate that is less than 18% does form part of the company's "distributable profits", however the amount of foreign tax charged on income included in Total Taxable Profit can be deducted when computing the "distributable profit".
4. The relevant rate for a trading profit is 55% and for a non-trading profit it is 100%. If the company has investment income that is not arising from the working capital of the business the calculation should be split between the trading and investment amounts. This situation is dealt with in more detail in the DPC Guide GN36.