



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 3

QUALIFYING EXPENDITURE

Exclusion of certain types of expenditure

34 Expenditure by MPs and others on accommodation

- (1) Expenditure is not qualifying expenditure if it is incurred by—
- a member of the House of Commons,
 - a member of the Scottish Parliament,
 - a member of the National Assembly for Wales, or
 - a member of the Northern Ireland Assembly,
- in or in connection with the provision or use of residential or overnight accommodation for the purpose given in subsection (2).
- (2) The purpose is enabling the member to perform the duties of a member of the body in or about—
- the place where the body sits, or
 - the constituency or region for which the member has been returned.

35 Expenditure on plant or machinery for use in dwelling-house not qualifying expenditure in certain cases

- (1) This section applies if a person is carrying on a qualifying activity consisting of—
- an ordinary Schedule A business,

Status: This is the original version (as it was originally enacted).

- (b) an overseas property business, or
- (c) special leasing of plant or machinery.

- (2) The person's expenditure is not qualifying expenditure if it is incurred in providing plant or machinery for use in a dwelling-house.
- (3) If plant or machinery is provided partly for use in a dwelling-house and partly for other purposes, such apportionment of the expenditure incurred in providing that plant or machinery is to be made for the purposes of subsection (2) as is just and reasonable.

36 Restriction on qualifying expenditure in case of employment or office

- (1) Subsection (2) applies in relation to a qualifying activity consisting of an employment or office.
- (2) Expenditure is qualifying expenditure only if the plant or machinery is necessarily provided for use in the performance of the duties of the employment or office.
- (3) Subsection (2) is subject to section 80 (vehicles provided for purposes of employment or office).

37 Exclusion where sums payable in respect of depreciation

- (1) Expenditure incurred by a person in providing plant or machinery for the purposes of a qualifying activity is not qualifying expenditure if it appears—
 - (a) that during the period during which the plant or machinery will be used for the purposes of the qualifying activity sums are, or are to be, payable to that person directly or indirectly, and
 - (b) that those sums are in respect of, or take account of, the whole of the depreciation of the plant or machinery resulting from its use for those purposes.
- (2) Subsection (1) does not apply if the sums fall to be taken into account as income of the person or in calculating the profits of a qualifying activity carried on by him.

38 Production animals etc.

Expenditure is not qualifying expenditure if it is incurred on—

- (a) animals or other creatures to which Schedule 5 to ICTA (treatment of farm animals etc. for purposes of Case I of Schedule D) applies, or
- (b) shares in such animals or creatures.