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## SCHEDULES.

### SCHEDULE 14

#### ADAPTATION OF SYSTEM OF CAPITAL ALLOWANCES.

##### PART III

###### MACHINERY AND PLANT.

- 11 Paragraph 2(5) of this Schedule shall not apply to substitute references to a chargeable period for references to a year of assessment—
- (a) in section 281(2), 282(2) or 287 of the Income Tax Act 1952 (under which are determined the percentages to be used in calculating writing-down allowances by the normal and by the alternative method); or
  - (b) where the reference is to the period for which a percentage is determined or deemed to be determined, in section 35 of the Finance Act 1963 ;
- but in section 287(3) of the Income Tax Act 1952 for the words " income tax " there shall be substituted the word " tax " .
- 12 (1) In section 291(1) of the Income Tax Act 1952 (annual allowances where previous use has not attracted full annual allowances) for the words "during any previous year of assessment" there shall be substituted the words " before that chargeable period " , and section 291(2) shall be amended as follows:—
- (a) in paragraph (a) for the words " income tax " there shall be substituted the word " tax " ; and
  - (b) at the end of the subsection there shall be added:—

“In the case of a company paragraph (a) above shall not alter the periods which are to be taken as chargeable periods, but if during any time after the year 1965-66, and after the company acquired the machinery or plant, the company has not been within the charge to corporation tax, any year of assessment or part of a year of assessment falling within that time shall be taken as a chargeable period as if it had been an accounting period of the company.”
- (2) Section 295 of the Income Tax Act 1952 (which applies section 291 for purposes of balancing allowances and charges) shall have effect accordingly, and in section 295(2) for the words " income tax " there shall be substituted the word " tax " .
- 13 In section 297(6) of the Income Tax Act 1952 (meaning of " expenditure unallowed ") for the words " or for a year of assessment the basis period for which ended before the time in question " there shall be substituted the words " or for any other chargeable period if that chargeable period or its basis period ended before the time in question " .
- 14 In section 304 of the Income Tax Act 1952 in the words " the same or any previous or subsequent year of assessment " the word " other " shall be substituted for the words " previous or subsequent " .

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- 15 (1) In section 72 of the Finance Act 1960 (business or estate management expenditure) the references to management expenses claims shall be amended in accordance with the following sub-paragraphs.
- (2) In subsection (3) for the words from " be made ", where secondly occurring, to " as the case may be " there shall be substituted the words " for purposes of Case VIII of Schedule D be made in computing his profits or gains ", and there shall be omitted in the proviso the words from " whether " onwards.
- (3) In subsection (7) for the words from " in a management expenses claim " to " may be made " there shall be substituted the words " by notice in writing to the inspector ", and for the words from " effect " to " business " there shall be substituted the words " an assessment in respect of the business for that or a subsequent chargeable period has been finally determined without such an election ".
- (4) In subsection (8) for the words " on a management expenses claim ", where first occurring, there shall be substituted " under section 56(8) of the Finance Act 1965 " and for the words " any management expenses claim or assessment under Case VIII of Schedule D " there shall be substituted the words " any assessment to tax ".
- (5) In subsection (11) for the words " on a management expenses claim in respect of the business " there shall be substituted the words " within the meaning of section 57 of the Finance Act 1965 ".