
Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

SCHEDULES.

SCHEDULE 14

ADAPTATION OF SYSTEM OF CAPITAL ALLOWANCES.

PART IX

TRANSITIONAL.

- 26 The amendments made by this Schedule shall not have effect in relation to income tax for the year 1965-66 or any earlier year of assessment, except in so far as it is affected by their operation in relation to corporation tax; but any computation falling to be made for the purposes of income tax for any such year of assessment shall, where necessary, proceed from a computation made in accordance with those amendments (and in particular a computation of the residue of expenditure under section 268(5) of the Income Tax Act 1952).
- 27 (1) In connection with the transition for companies from income tax to corporation tax the enactments amended by this Schedule and any other provision of the Income Tax Acts relevant thereto shall have effect with such modifications as are necessary to preserve the continuity of the system of allowances and charges thereunder, so that in particular—
- (a) references to a previous chargeable period or to a subsequent chargeable period, or to a time before, or a time after, a chargeable period, shall have effect in relation to a company as if the year 1965-66 or any earlier year of assessment preceded that company's first accounting period for corporation tax;
 - (b) in a case where an event gives rise to any allowance or charge as taking place in a chargeable period, an event taking place in the year 1964-65 or 1965-66 at a time falling also in a company's accounting period for corporation tax shall be taken into account as happening in that year and shall not be again taken into account, so as to duplicate the allowance or charge, as happening in the accounting period.
- (2) Where it is provided that writing-down allowances are to be made for a specified period, allowances may be made for accounting periods of a company falling wholly or partly within the year 1964-65 or 1965-66, notwithstanding that allowances are also made for that year and, in reckoning the period for which allowances are to be made, the periods for which allowances are so made shall be added together, notwithstanding that the same time is (according to the calendar) counted twice; and similarly with section 323(3) of the Income Tax Act 1952 (allowances on cessation of working of a source of mineral deposits).
- (3) Subject to sub-paragraph (2) above, this paragraph shall not be taken to require any time to be counted twice in reckoning duration.
- 28 Without prejudice to the generality of paragraph 27 above, such part of any allowances falling to be made to a company in taxing a trade as but for this Act

***Status:** This is the original version (as it was originally enacted). This
item of legislation is currently only available in its original format.*

might have been carried forward to the year 1966-67 under section 323(2) of the Income Tax Act 1952 may be dealt with under section 56(1) of this Act as if it were an allowance for the first accounting period for which the company is within the charge to corporation tax in respect of the trade (but shall be disregarded for purposes of section 58(2)); and allowances which might have been carried forward to that year under section 324(1) of that Act may be dealt with under section 56 of this Act as if carried forward under section 56(5).