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SCHEDULES.

SCHEDULE 14

ADAPTATION OF SYSTEM OF CAPITAL ALLOWANCES.

PART VIII

MISCELLANEOUS.

- 24 (1) In Chapter VI (miscellaneous and general) of Part X of the Income Tax Act 1952—
- (a) sections 323, 324 and 325 (making of allowances and charges, and meaning of "basis period"), except section 323(3), shall not have effect in relation to corporation tax, and accordingly shall not be amended in accordance with paragraph 2 of this Schedule;
 - (b) in section 329(1) (procedure on apportionments etc. affecting the liability to income tax of different persons) for the words "liability to income tax (for whatever year of assessment)" there shall be substituted the words "liability to tax (for whatever period)";
 - (c) in section 330(1)(a) (under which a person incurring expenditure may not treat it as capital expenditure if it is deductible in computing trading income for purposes of income tax) for the words "income tax" there shall be substituted the word "tax".
- (2) Section 339(2) of the Income Tax Act 1952 shall not have effect in relation to corporation tax in so far as it applies section 323(2) for purposes of Part XI of that Act.
- (3) Schedule 15 to the Income Tax Act 1952 (allowances for contributions to another's capital expenditure) shall be amended as follows:—
- (a) in paragraph 2(a) for the words from "the annual allowance" onwards there shall be substituted the words "writing-down allowances for chargeable periods ending after the date of transfer shall be made" to the transferee, and shall not be made to the transferor"; and
 - (b) in paragraph 3(1) for the words from "the annual allowance" to "interest in the land" there shall be substituted the words "a writing-down allowance shall be made to a person for a chargeable period if at the end of that period he is entitled to the contributor's interest in the land."
- 25 In relation to the following enactments, that is to say.—
- (a) section 25 of the Finance Act 1953 (postponement of capital allowances to secure double taxation relief);
 - (b) section 16 of the Finance Act 1954 and Schedule 2 to that Act (investment allowances);
 - (c) section 16 of the Finance Act 1956 (expenditure on cutting, tunnelling etc.);
 - (d) section 42(2) of the Transport Act 1962 (adjustment of Railways Board's capital allowances in connection with the Board's suspended debt);

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paragraph 2 of this Schedule shall apply as if those enactments were included in Part X of the Income Tax Act 1952 ; and in section 25(1) of the Finance Act 1953 for the words " income tax " there shall be substituted the word " tax ".