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SCHEDULES

SCHEDULE 11

TAX RELIEFS IN CONNECTION WITH REDUNDANCY SCHEMES

PART II

RELIEF IN RESPECT OF CERTAIN PAYMENTS

- 2 The question whether any, and if so, what, relief is to be given shall be determined separately in relation to each payment made under the scheme in respect of the trade, but for the purpose of determining that question regard shall be had, as hereinafter provided, to the sum (hereafter in this Schedule referred to as "the total payment") produced by adding the amount of the payment to the amount of any payments previously so made.
- 3 No relief shall be given in respect of the payment unless the person chargeable shows—
- (a) the amount of the damage in respect of which the total payment has been made ; and
 - (b) how much of that amount is referable to damage in respect of which no relief may be given under the Tax Acts.
- 4 No relief shall be given in respect of the payment unless the total payment, or the amount of the damage in respect of which the total payment has been made, whichever is the smaller, exceeds the aggregate amount of the deductible contributions which have been paid in furtherance of the scheme in respect of the trade in question before the payment is made, exclusive of any contributions which have been repaid before the payment is made.
- 5 The amount of the reduction to be made in respect of the payment shall be arrived at by—
- (a) ascertaining the sum which bears to the excess mentioned in paragraph 4 above the same proportion that the amount mentioned in paragraph 3(b) above bears to the amount mentioned in paragraph 3(a); and
 - (b) deducting from the said sum the total amount of any reductions which have been or fall to be made under this Schedule in respect of payments previously made under the scheme in respect of the trade.
- 6 (1) For the purposes of this Schedule, damage shall be deemed to be damage in respect of which relief may be given under the Tax Acts if and only if—
- (a) the damage is attributable to any of the following events, that is to say, the demolition, destruction or putting out of use of any asset, or the disposition or termination of an interest in any asset, and, by reason of that event, an allowance falls to be made under Chapter I or Chapter II of Part I of the Capital Allowances Act 1968 in taxing the trade; or

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- (b) the damage consists of any loss, liability, expense or other burden in respect of which an allowance may be made in computing the profits or gains of the trade for the purposes of the Tax Acts ;

Provided that where an allowance under the said Chapter I in respect of any damage falls to be reduced in the proportion specified in section 3(4) of the Capital Allowances Act 1968, only a proportionately reduced amount of the damage shall be treated as being referable to damage in respect of which relief may be given under the Tax Acts.

- (2) Where any event occurs which would give rise to an allowance under the Tax Acts in respect of any asset in taxing, or computing the profits or gains of, a trade but for any of the following matters, that is to say—

- (a) that there are no profits or gains against which the allowance could be made:
or
- (b) that account is required to be taken of allowances previously made or deemed to have been made in respect of the asset; or
- (c) that account is required to be taken of any sum which falls to be written off the expenditure incurred on the asset for the purpose of determining whether any and if so what allowance may be given by reason of the event; or
- (d) that account is required to be taken of any sum falling to be taken into account as sale, insurance, salvage or compensation moneys,

the like consequences shall ensue under this Schedule as if an allowance had fallen to be made by reason of that event.

- (3) Where any damage is attributable to a permanent change in the purposes for which an asset is used, or the temporary or permanent putting out of use of an asset, the question whether the damage is damage in respect of which relief may be given under the Tax Acts shall be determined as if the damage had been attributable to a sale of the asset on the date upon which the change or putting out of use took place.