

SCHEDULES

SCHEDULE 14

CAPITAL ALLOWANCES: VAT CAPITAL GOODS SCHEME

PART I

INDUSTRIAL BUILDINGS AND STRUCTURES

Balancing allowances and balancing charges

- 4 (1) In section 4 of that Act, in subsection (1) (events which give rise to balancing allowances and balancing charges), after paragraph (d) there shall be inserted the words “or
- (e) an additional VAT rebate in respect of any of the capital expenditure is made to the person entitled to the relevant interest.”.
- (2) In subsection (2) of that section (no balancing allowance or charge on second or subsequent events when the building or structure is not an industrial building or structure) after the words “and where two or more events” there shall be inserted the words “falling within paragraphs (a) to (d) of subsection (1) above”.
- (3) After that subsection there shall be inserted—
- “(2A) No balancing allowance shall be made by reason of an event falling within paragraph (e) of subsection (1) above; and no balancing charge shall be made by reason of such an event unless—
- (a) the amount of the additional VAT rebate exceeds the residue of expenditure immediately before the making of that rebate, or
- (b) there is no such residue,
- and in any such case a balancing charge shall be made on an amount equal to that by which the rebate exceeds the residue of expenditure immediately before the making of the rebate or, where there is no such residue, to the amount of the rebate.”
- (4) In subsection (9) of that section, in the definition of “the capital expenditure” there shall be added at the end of paragraph (a) the words “reduced by an amount equal to that of any balancing charge made in relation to that expenditure on the occurrence of an event falling within subsection (1)(e) above;
- (5) At the end of subsection (10) of that section (balancing charge not to exceed allowances made) there shall be added the words “reduced by the amounts (if any) on which balancing charges in respect of the expenditure have been made on him for any such chargeable periods”.