
Changes to legislation: There are currently no known outstanding effects for the Coal Industry Act 1994, Paragraph 20. (See end of Document for details)

SCHEDULES

SCHEDULE 4

TAXATION PROVISIONS

PART I

CORPORATION TAX

Capital allowances in cases where paragraph 19 does not apply

- 20 (1) Subject to paragraph 21 below, [^{F1}the Capital Allowances Act] shall have effect in accordance with this paragraph in relation to any property if—
- (a) it is property to which a relevant transfer relates; and
 - (b) paragraph 19 above does not apply in relation to its transfer to the transferee; and in this paragraph “the relevant scheme”, in relation to property to which a relevant transfer relates, means the restructuring scheme that provides for that transfer.
- (2) Where—
- (a) [^{F2}section 573 of the Capital Allowances Act (transfers treated as sales) as it applies for the purposes of Part 3 of that Act] applies on the relevant transfer in relation to the property, and
 - (b) the relevant scheme contains provision for the sale of that property which is deemed to occur by virtue of [^{F3}that section] to be deemed for the purposes of the [^{F4}that Act] to be at a price specified in or determined in accordance with the scheme,
- that deemed sale shall be treated as a sale at the price so specified or determined (instead of at the price determined in accordance with [^{F3}that section] or any other provision of [^{F5}that Act], sections 567 to 570 of that Act] shall not apply and that provision of the scheme shall have an equivalent effect in relation to the expenditure which the transferee is to be treated as having incurred in making the corresponding purchase.
- (3) Where the property is plant or machinery which would, for the purposes of [^{F1}the Capital Allowances Act], be treated on the coming into force of the relevant transfer as disposed of by the predecessor to the transferee and the relevant scheme contains provision for the disposal value of that property to be deemed for the purposes of [^{F4}that Act] to be of such amount as may be specified in or determined in accordance with the scheme—
- (a) that provision shall have effect, instead of [^{F6}section 61(2) to (4), 72(3) to (5), 171, 196 or 423 of the Capital Allowances Act], for determining an amount as the disposal value of the property or, as the case may be, as the price at which any fixture is to be treated as sold;

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- (b) the transferee shall be deemed to have incurred expenditure of that amount on the provision of that property; and
 - (c) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee shall be deemed for the purposes of [F7sections 181(1) and 182(1)] of that Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.
- (4) Where—
- (a) the predecessor has been carrying on a trade of mineral extraction, and
 - (b) the relevant scheme contains provision for the amount specified in or determined in accordance with the scheme to be brought into account [F8in accordance with sections 421 to 425 of the Capital Allowances Act (mineral extraction allowances: disposal receipts)] as a disposal receipt,
- that amount, instead of any other amount, shall be so brought into account as such a receipt in respect of the transfer of the property in accordance with the relevant scheme or of the predecessor's otherwise ceasing to use the property in consequence of that transfer.
- (5) Where—
- (a) the acquisition of the property by the transferee in accordance with the relevant scheme would be a balancing event for the purposes of [F9Part 4 of the Capital Allowances Act (agricultural buildings allowances)] if an election were made under [F10section 382] of that Act, and
 - (b) the relevant scheme contains provision for the price paid by the transferee to the predecessor for the property to be deemed, for the purposes of [F4that Act], to be such amount as may be specified in or determined in accordance with the scheme,
- such an election shall be deemed to have been made and the sale moneys related to that event shall be deemed for the purposes of [F11section 385 of the Capital Allowances Act (calculation of balancing adjustment)] to be equal to that amount.
- (6) Where—
- (a) the transfer of the property in accordance with the relevant scheme would be a [F12disposal event for the purposes of Chapter 3 of Part 6 of the Capital Allowances Act (research and development allowances: allowances and charges)], and
 - (b) the relevant scheme contains provision for an amount specified in or determined in accordance with the scheme to be treated for the purposes of [F13that Chapter] as the disposal value of that property,
- [F13that Chapter] shall have effect accordingly.
- (7) A disposal or acquisition in relation to which provision is made by the relevant scheme under any of sub-paragraphs (4) to (6) above shall not for any of the purposes of [F1the Capital Allowances Act] be treated as, or as part of, a transaction falling within [F14section 568(1)(a)] of that Act (sales between connected persons etc.).
- (8) Sub-paragraphs (5) and (6) of paragraph 19 above shall apply in relation to any determination of any amount in accordance with any provision made by a restructuring scheme for the purposes of this paragraph as they apply for the purposes of a determination such as is mentioned in those sub-paragraphs.

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Textual Amendments

- F1** Words in Sch. 4 para. 20(1)(3)(7) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(4)(6)(a)(10)(a)**
- F2** Words in Sch. 4 para. 20(2)(a) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(5)(a)**
- F3** Words in Sch. 4 para. 20(2)(b) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(5)(b)(c)**
- F4** Words in Sch. 4 para. 20(2)(b)(3)(5)(b) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(5)(b)(6)(b)(8)(b)**
- F5** Words in Sch. 4 para. 20(2) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(5)(d)**
- F6** Words in Sch. 4 para. 20(3)(a) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(6)(c)**
- F7** Words in Sch. 4 para. 20(3)(c) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(6)(d)**
- F8** Words in Sch. 4 para. 20(4)(b) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(7)**
- F9** Words in Sch. 4 para. 20(5)(a) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(8)(a)**
- F10** Words in Sch. 4 para. 20(5)(a) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(8)(a)**
- F11** Words in Sch. 4 para. 20(5) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(8)(c)**
- F12** Words in Sch. 4 para. 20(6)(a) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(9)(a)**
- F13** Words in Sch. 4 para. 20(6)(b) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(9)(b)(c)**
- F14** Words in Sch. 4 para. 20(7) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 578, **Sch. 2 para. 93(10)(b)**

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