

## SCHEDULES

### SCHEDULE 15

#### CAPITAL ALLOWANCES: SCHEDULE A CASES ETC

##### *New general provision*

- 3 In Chapter I of Part II of the Capital Allowances Act 1990 (general provisions about capital allowances in respect of machinery and plant), the following section shall be inserted after section 28—

##### **“28A Schedule A cases**

- (1) Subject to subsection (3) below and section 29, where any person carries on a Schedule A business—
- (a) that person’s Schedule A business shall be treated as a trade for the purposes of this Part and of the other provisions of the Tax Acts so far as relating to allowances or charges under this Part; and
  - (b) that trade shall be treated for those purposes as one trade carried on separately from any other trade carried on by that person.
- (2) For the purposes of the Corporation Tax Acts the reference in subsection (1) above to a Schedule A business is a reference, in relation to a company, to all the activities carried on by that company which—
- (a) would be treated as comprised in a Schedule A business if they were carried on by an individual, rather than by a company; and
  - (b) are not activities the profits and gains from which are treated for the purposes of the Corporation Tax Acts as chargeable to tax under Case VI of Schedule D.
- (3) Expenditure incurred in providing machinery or plant for use in a dwelling-house shall not, by virtue of this section, be treated as incurred in providing that machinery or plant for the purposes of a trade.
- (4) Where machinery or plant is provided partly for use in a dwelling-house and partly for other purposes, such apportionment of the expenditure incurred in providing that machinery or plant shall be made for the purposes of subsection (3) above as is just and reasonable.”
- 4 In section 29 of that Act of 1990 (furnished holiday accommodation), for subsection (1), both as it applies for the purposes of income tax and as it applies for the purposes of corporation tax, there shall be substituted the following subsections—

- “(1) Subject to subsection (1A) below, this Part and the other provisions of the Tax Acts so far as relating to allowances or charges under this Part shall have effect as if so much of the Schedule A business of any person as consists in

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*Status: This is the original version (as it was originally enacted).*

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the commercial letting of furnished holiday accommodation in the United Kingdom were a single trade carried on separately from both—

- (a) the trade in which, in accordance with section 28A, the rest (if any) of that business is comprised; and
- (b) any other trade carried on by that person.

(1A) Subsection (1) above does not apply for the purposes of the Corporation Tax Acts; but for those purposes this Part and the other provisions of those Acts so far as relating to allowances and charges under this Part shall have effect as if—

- (a) the commercial letting of furnished holiday accommodation in the United Kingdom in respect of which profits or gains are chargeable under Case VI of Schedule D were a trade; and
- (b) all such lettings made by the same person were a single trade carried on separately from any other trade which is, or under section 28A is treated as, carried on by that person.”