

SCHEDULES

SCHEDULE 26

TRANSFERS: TAX

PART III

TRANSFERS FROM BR TO SRA

Capital allowances for plant and machinery

- 14 (1) This paragraph applies in relation to property if—
- (a) the property is plant or machinery to which a relevant transfer relates,
 - (b) paragraph 13 does not apply in relation to the transfer of the property to the transferee,
 - (c) the property would be treated for the purposes of the Capital Allowances Acts as disposed of by the transferor to the transferee on the transfer taking effect, and
 - (d) the scheme concerned contains provision for the disposal value of the property to be taken for the purposes of those Acts to be of an amount specified in or determined in accordance with the scheme.
- (2) For the purposes of those Acts—
- (a) the provision mentioned in sub-paragraph (1)(d) is to have effect (instead of section 26(1) or 59 of the 1990 Act) for determining an amount as the disposal value of the property or the price at which a fixture is to be treated as sold,
 - (b) the transferee is to be taken to have incurred capital expenditure of that amount on the provision of the property for the purposes for which it is used by the transferee on and after the taking effect of the transfer,
 - (c) the property is to be taken as belonging to the transferee in consequence of the transferee having incurred that expenditure, and
 - (d) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee is to be taken for the purposes of section 54 of the 1990 Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.
- (3) A provision mentioned in sub-paragraph (1)(d) for the determination of an amount may include provision—
- (a) for a determination to be made by the Secretary of State in a manner described in the scheme,
 - (b) for a determination to be made by reference to factors so described or to the opinion of a person so described, and
 - (c) for a determination to be capable of being modified (on one or more occasions) in a manner and in circumstances so described.

Status: This is the original version (as it was originally enacted).

- (4) The Treasury's consent is required for the making or modification of a determination under a provision mentioned in sub-paragraph (1)(d).
- (5) The transferee's consent is also required for such a modification after the relevant transfer takes effect.
- (6) If there is a determination or a modification of a determination under a provision mentioned in sub-paragraph (1)(d) all necessary adjustments—
 - (a) must be made by making assessments or by repayment or discharge of tax, and
 - (b) must be made despite any limitation on the time within which assessments may be made.