

*These notes refer to the Capital Allowances Act 2001  
(c.2) which received Royal Assent on 22nd March 2001*

# CAPITAL ALLOWANCES ACT 2001

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## EXPLANATORY NOTES

### COMMENTARY ON SECTIONS

#### *Glossary*

#### **Part 2: Plant and machinery allowances**

#### *Chapter 8: Cars, etc.*

#### **Section 76: Limit where part of expenditure met by another person**

369. This section is based on section 34(3)(b) of CAA 1990. It restricts allowances if part of the expenditure on the car is met by another person or persons.
370. The limit of £3,000 on writing-down allowances is restricted further for both the recipient of the contribution and the contributors (if they are entitled to plant and machinery allowances). Each is limited to a proportion of the £3,000 limit according to how much of the expenditure on the car they met. The total writing-down allowances due to all parties cannot exceed £3,000 a year.
371. Subsections (3) and (4), unlike section 35(1) of CAA 1990, do not create special pools for contributions to expenditure on expensive cars. This is not required because of the way Part 11 handles contributions. See *Note 19* in Annex 2, and the related *Change 60* in Annex 1.