

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

CAPITAL ALLOWANCES ACT 2001

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Glossary

Part 3: Industrial buildings allowances

Chapter 6: Writing-down allowances

Overview

1052. This Chapter provides writing-down allowances. It deals with who is entitled to writing-down allowances and how they are calculated. Writing-down allowances are made for qualifying enterprise zone expenditure and other qualifying expenditure.
1053. [Section 309](#) gives entitlement to a writing-down allowance to the person entitled to the relevant interest at the end of the chargeable period provided the building is at that time an industrial building.
1054. [Section 310](#) gives the basic rule for calculating the amount of a writing-down allowance:
- 4% a year of qualifying expenditure; but
 - 25% a year of qualifying enterprise zone expenditure.
1055. [Section 311](#) provides the writing-down allowance due to the purchaser of the relevant interest in an industrial building. The allowance is calculated to write off the residue of the qualifying expenditure after the sale over the remainder of the period of 25 years from the first use of the building. [Section 313](#) defines “the residue of qualifying expenditure”. It is the amount of qualifying expenditure not yet written off (see Chapter 8).
1056. [Section 312](#) limits the amount of writing-down allowance which can be made for a chargeable period to the residue of expenditure.