

*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 7: Know-how allowances

Chapter 3: Allowances and charges

Section 458: Amount of allowances and charges

1625. This section is based on section 530(2) and (3) of ICTA. *Subsections (1) to (3)* set out the calculation of a writing-down allowance for a chargeable period. The rate at which writing-down allowances are given is 25% per year. The amount of a writing-down allowance is adjusted if the chargeable period is more or less than a year and if the trade is carried on for only part of the chargeable period.
1626. There is a minor change. *Subsection (4)* allows a person to claim a writing-down allowance of less than the full entitlement for the chargeable period. See *Change 38* in Annex 1.
1627. *Subsections (5) and (6)* set out the calculation of a balancing charge or balancing allowance for a chargeable period.