

*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 9: Dredging allowances

Section 485: Qualifying expenditure

1730. This section is based on sections 134(1), (6) and 135(1) of CAA 1990. It deals with “qualifying expenditure”, a term which is not itself in CAA 1990. Its use here gives this Part likeness with the rest of the Act.
1731. *Subsection (1)* sets out the basic condition for qualifying expenditure.
1732. *Subsection (2)* deals with expenditure partly incurred for the purposes of the trade and partly for other purposes and provides a just and reasonable apportionment. Use of “just and reasonable apportionment” in place of “just apportionment” is a minor change. See *Change 40* in Annex 1.
1733. *Subsection (3)* deals with the situation if only part of a trade qualifies.