Capital Allowances Act 2001

2001 CHAPTER 2

PART 12

SUPPLEMENTARY PROVISIONS

CHAPTER 6

FINAL PROVISIONS

General interpretation

571 Application of Act to parts of assets

(1) In this Act references to an asset of any kind (including a building or structure, plant or machinery or works) include a part of an asset.

(2) But subsection (1) does not apply if the context otherwise requires.

572 References to sale of property and time of sale

(1) In this Act references to the sale of property include—
  (a) the exchange of property, and
  (b) the surrender for valuable consideration of a leasehold interest (or, in Scotland, the interest of the tenant in property subject to a lease).

(2) For the purposes of subsection (1), any provision of this Act referring to a sale has effect with the necessary modifications, including, in particular, those in subsection (3).

(3) The modifications are that—
  (a) references to the net proceeds of sale and to the price include the consideration for the exchange or surrender, and

(b) references to capital sums included in the net proceeds of sale or paid on a sale include so much of the consideration for the exchange or surrender as would have been a capital sum if it had been a money payment.

(4) Any reference in this Act (except in Part 6) to the time of any sale is to be read as a reference to whichever is the earlier of—

(a) the time of completion, and

(b) the time when possession is given.

573 Transfers treated as sales

(1) This section applies for the purposes of Parts 3, 4 and 10 and other provisions of this Act relevant to those Parts if—

(a) there is a transfer of the interest which is the relevant interest for the purposes of the Part in question, and

(b) the transfer is not a sale.

(2) The transfer is treated as a sale of the relevant interest.

(3) The sale is treated as being at market value, subject to any election under section 569 (election to treat sale as being for alternative amount).

(4) This section does not apply if section 561 applies (transfer of a UK trade to a company resident in another member State).

574 Meaning of "control"

(1) In this Act "control" is used in the sense given in this section.

(2) In relation to a body corporate ("company A"), "control" means the power of a person ("P") to secure—

(a) by means of the holding of shares or the possession of voting power in relation to that or any other body corporate, or

(b) as a result of any powers conferred by the articles of association or other document regulating that or any other body corporate,

that the affairs of company A are conducted in accordance with P's wishes.

(3) In relation to a partnership, "control" means the right to a share of more than half of the assets, or of more than one half of the income, of the partnership.

575 Connected persons

(1) Section 839 of ICTA (how to tell whether persons are connected) applies for the purposes of this Act.

(2) Subsection (1) is subject to—

(a) section 156 (connected persons for purposes of deferring balancing charges in respect of ships),

(b) section 232 (connected persons for purposes of Chapter 17 of Part 2—anti-avoidance),

(c) section 246(2) (connected persons where additional VAT liability is incurred in anti-avoidance case), and

(d) section 266(5) (elections where predecessor and successor are connected persons),

(which give "connected person" an extended meaning).

576 Meaning of "the Inland Revenue" etc.

(1) Subject to subsection (2), in this Act "the Inland Revenue" means any officer of the Board of Inland Revenue.

(2) In section 51(1) and (3)(a) (disclosure by or to Inland Revenue of information relating to first-year allowances in Northern Ireland cases) "the Inland Revenue" means the Board of Inland Revenue or any officer of the Board.

(3) In this Act "the Board of Inland Revenue" means the Commissioners of Inland Revenue (as to which, see in particular the Inland Revenue Regulation Act 1890 (c. 21)).

577 Other definitions

(1) In this Act—

"dual resident investing company" has the same meaning as in section 404 of ICTA (limitation of group relief in relation to certain dual resident companies);

"market value", in relation to any asset, means the price the asset would fetch in the open market;

"the normal time limit for amending a tax return", in relation to a tax year, means the first anniversary of the 31st January following the tax year;

"notice" means a notice in writing;

"property business" means a Schedule A business or an overseas property business;

"tax return" has the meaning given by section 3(3);

"tax year" means, in relation to income tax, a year for which any Act provides for income tax to be charged;

"the tax year 2001—02" means the tax year beginning on 6th April 2001 (and any corresponding expression in which two years are similarly mentioned is to be read in the same way).

(2) Any reference to the setting up, commencement or permanent discontinuance of—

(a) a trade,

(b) a property business,

(c) a profession, or

(d) a vocation,

includes, except where the contrary is expressly provided, the occurring of an event which, under any provision of the Income Tax Acts or Corporation Tax Acts, is to be treated as equivalent to the setting up, commencement or permanent discontinuance of a trade, property business, profession or vocation.

(3) Any reference in this Act to an allowance made includes an allowance which would be made but for an insufficiency of profits, or other income, against which to make it.

(4) For the purposes of this Act a person obtains a tax advantage if he—

(a) obtains an allowance or a greater allowance, or

(b) avoids a charge or secures the reduction of a charge.

(5) In Schedule 1—

(a) Part 1 gives the meaning of abbreviated references in this Act to Acts about tax, and

(b) Part 2 lists where expressions used in this Act are defined or otherwise explained.

Amendments, repeals, citation etc.

578 Consequential amendments

Schedule 2 contains consequential amendments.

579 Commencement and transitional provisions and savings

(1) This Act has effect—

(a) for income tax purposes, as respects allowances and charges falling to be made for chargeable periods ending on or after 6th April 2001, and

(b) for corporation tax purposes, as respects allowances and charges falling to be made for chargeable periods ending on or after 1st April 2001.

(2) References in this Act to a chargeable period to which this Act applies are to the chargeable periods given in subsection (1).

(3) Subsection (1) is subject to Schedule 3, which contains transitional provisions and savings.

580 Repeals

Schedule 4 contains repeals.

581 Citation

This Act may be cited as the Capital Allowances Act 2001.

Status:
Point in time view as at 22/03/2001.

Changes to legislation:
There are currently no known outstanding effects for the Capital Allowances Act 2001, Chapter 6.