



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 13

PROVISIONS AFFECTING MINING AND OIL INDUSTRIES

Expenditure connected with mineral extraction trades

159 Meaning of “mineral extraction trade” etc.

In this Chapter—

- “mineral extraction trade”, and
- “mineral exploration and access”

have the same meaning as in Part 5 (mineral extraction allowances).

160 Expenditure treated as incurred for purposes of mineral extraction trade

For the purposes of this Part, expenditure incurred by a person—

- (a) on the provision of plant or machinery for mineral exploration and access, and
- (b) in connection with a mineral extraction trade carried on by him,

is to be treated as incurred for the purposes of that trade.

161 Pre-trading expenditure on mineral exploration and access

(1) This section applies if a person—

- (a) incurs pre-trading expenditure on the provision of plant or machinery for the purposes of mineral exploration and access, and

Status: This is the original version (as it was originally enacted).

(b) owns the plant or machinery on the first day of trading.

But this is subject to subsection (5).

- (2) The person is to be treated for the purposes of this Part as if he had—
- (a) sold the plant or machinery immediately before the first day of trading, and
 - (b) on that first day incurred capital expenditure on the provision of the plant or machinery for the purposes of the trade.
- (3) The amount of the capital expenditure that the person is to be treated as having incurred is an amount equal to—
- (a) the pre-trading expenditure, or
 - (b) if there has been an actual sale and re-acquisition before the first day of trading, the amount last incurred on the provision of the plant or machinery.
- (4) In this section—
- (a) “pre-trading expenditure” means capital expenditure incurred before the day on which a person begins to carry on a mineral extraction trade, and
 - (b) “the first day of trading”, in relation to a person’s pre-trading expenditure, means the day on which that person begins to carry on the mineral extraction trade.
- (5) This section does not apply if the plant or machinery on which the pre-trading expenditure was incurred is sold, demolished, destroyed or abandoned before the first day of trading (but see section 402 (mineral extraction allowances: pre-trading expenditure on plant or machinery)).