



Capital Allowances Act 2001

2001 CHAPTER 2

[^{F1}PART 3

INDUSTRIAL BUILDINGS ALLOWANCES

[^{F1}CHAPTER 1

INTRODUCTION

Textual Amendments

- F1** Pt. 3 omitted (with effect in relation to chargeable periods beginning on or after 1.4.2011 for corporation tax purposes and 6.4.2011 for income tax purposes in accordance with ss. 84(1)(3)(4), 85, 86 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\), s. 84\(2\)](#) (with [Sch. 27](#))

271 Industrial buildings allowances

- (1) Allowances are available under this Part if—
- (a) expenditure has been incurred on the construction of a building or structure,
 - (b) the building or structure is (or, in the case of an initial allowance, is to be)—
 - (i) in use for the purposes of a qualifying trade,
 - (ii) a qualifying hotel,
 - (iii) a qualifying sports pavilion, or
 - (iv) in relation to qualifying enterprise zone expenditure, a commercial building or structure, and
 - (c) the expenditure incurred on the construction of the building or structure, or other expenditure, is qualifying expenditure.
- (2) In the rest of this Part—
- (a) “building” is short for “building or structure”, and

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Chapter 1. (See end of Document for details)

- (b) “industrial building” means, subject to Chapter 2 (which defines terms used in subsection (1)(b) etc.), a building or structure which is within subsection (1)(b).
- (3) Allowances under this Part are made to the person who for the time being has the relevant interest in the building (see Chapter 3) in relation to the qualifying expenditure (see Chapter 4).

272 Expenditure on the construction of a building

- (1) For the purposes of this Part, expenditure on the construction of a building does not include expenditure on the acquisition of land or rights in or over land.
- (2) This Part has effect in relation to capital expenditure incurred by a person on repairs to a part of a building as if it were capital expenditure on the construction of that part of the building for the first time.
- (3) For the purposes of subsection (2), expenditure incurred for the purposes of a trade on repairs to a building is to be treated as capital expenditure if it is not expenditure that would be allowed to be deducted in calculating the profits of the trade for tax purposes.

273 Preparation of sites for plant or machinery

- (1) Subsection (2) applies if—
 - (a) capital expenditure is or has been incurred in preparing, cutting, tunnelling or levelling land for the purposes of preparing the land as a site for the installation of plant or machinery, and
 - (b) no allowance could (apart from this section) be made in respect of that expenditure under this Part or Part 2 (plant and machinery allowances).
- (2) This Part has effect in relation to the expenditure as if—
 - (a) the purpose of incurring the expenditure were to prepare the land as a site for the construction of a building, and
 - (b) the installed plant or machinery were a building.]

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Chapter 1.