

## SCHEDULES

### SCHEDULE 3

#### TRANSITIONALS AND SAVINGS

#### PART 9

#### PATENT ALLOWANCES

*Expenditure incurred before 1st April 1986*

#### *Calculation of writing-down allowances*

- 96 (1) The basic rule for calculating a writing-down allowance for an item of qualifying expenditure is—

$$E \times \frac{C}{W}$$

where—

- E is the amount of the qualifying expenditure;
  - C is the length of the part of the chargeable period falling within the writing-down period;
  - W is the length of the writing-down period.
- (2) The basic rule is subject to the rules about—
- (a) cessation of writing-down allowances (paragraph 97), and
  - (b) reduced writing-down allowances (paragraph 98).