



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

### CHAPTER 2

#### QUALIFYING ACTIVITIES

## 15 Qualifying activities

- (1) Each of the following is a qualifying activity for the purposes of this Part—
- (a) a trade,
  - (b) an ordinary [<sup>F1</sup>UK][<sup>F2</sup>property] business,
  - (c) a [<sup>F3</sup>UK furnished] holiday lettings business,
  - (d) an [<sup>F4</sup>ordinary overseas] property business,
  - [<sup>F5</sup>(da) an EEA furnished holiday lettings business,]
  - (e) a profession or vocation,
  - (f) a concern listed in [<sup>F6</sup>section 12(4) of ITTOIA 2005 or][<sup>F7</sup>section 39(4) of CTA 2009] (mines, transport undertakings etc.),
  - [<sup>F8</sup>(g) managing the investments of a company with investment business,]
  - (h) special leasing of plant or machinery, and
  - (i) an employment or office,
- but to the extent only that the profits or gains from the activity are, or (if there were any) would be, chargeable to tax.

- (2) Subsection (1) is subject to the following provisions of this Part.

[<sup>F9</sup>(2ZA) Where an activity of a company is treated by subsection (1) of section 6D (NI rate activity treated as separate trade) as a separate trade, that activity is an activity separate from any other activity of the company.

*Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 15. (See end of Document for details)*

(2ZB) Where an activity of a Northern Ireland firm is treated by subsection (2) of section 6D as a separate trade for the purposes of the corporate partner calculation, that activity is for the purposes of this Part, so far as relating to the corporate partner calculation, an activity separate from every other activity of the Northern Ireland firm.]

[<sup>F10</sup>(2A) A business carried on through one or more permanent establishments outside the United Kingdom by a company in relation to which an election under section 18A of CTA 2009 has effect—

- (a) is an activity separate from any other activity of the company, and
- (b) is to be regarded as an activity all the profits and gains from which are not, or (if there were any) would not be, chargeable to tax.]

[<sup>F11</sup>(2B) Subsection (2A) does not apply to the business so far as it consists of a plant or machinery lease under which the company is a lessor if any profits or losses arising from the lease are to be left out of account as mentioned in section 18C(3) of CTA 2009.]

(3) This section, in so far as it provides for—

- (a) an ordinary [<sup>F12</sup>UK][<sup>F13</sup>property] business,
- (b) an [<sup>F14</sup>ordinary overseas] property business, or
- (c) special leasing of plant or machinery,

to be a qualifying activity, needs to be read with section 35 (expenditure on plant or machinery for use in a dwelling-house not qualifying expenditure in certain cases).

(4) Also, subsection (1)(i) needs to be read with sections 36 (restriction on qualifying expenditure in case of employment or office) and 80 (vehicles provided for purposes of employment or office).

#### Textual Amendments

- F1** Word in s. 15(1)(b) inserted (with effect in accordance with Sch. 14 para. 13 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 12\(3\)\(a\)](#)
- F2** Word in s. 15(1)(b) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 526\(2\)\(a\)](#) (with Sch. 2)
- F3** Words in s. 15(1)(c) substituted (with effect in accordance with Sch. 14 para. 13 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 12\(3\)\(b\)](#)
- F4** Words in s. 15(1)(d) substituted (with effect in accordance with Sch. 14 para. 13 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 12\(3\)\(c\)](#)
- F5** S. 15(1)(da) inserted (with effect in accordance with Sch. 14 para. 13 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 12\(3\)\(d\)](#)
- F6** Words in s. 15(1)(f) inserted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 526\(2\)\(b\)](#) (with Sch. 2)
- F7** Words in s. 15(1)(f) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 476](#) (with Sch. 2 Pts. 1, 2)
- F8** S. 15(1)(g) substituted (with effect in accordance with art. 1(2) of the commencing S.I.) by [Finance Act 2004, Sections 38 to 40 and 45 and Schedule 6 \(Consequential Amendments of Enactments\) Order 2004 \(S.I. 2004/2310\)](#), art. 1(2), [Sch. para. 52\(2\)](#)
- F9** S. 15(2ZA)(2ZB) inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\)](#), [Sch. 1 para. 4](#)
- F10** S. 15(2A) inserted (19.7.2011) by [Finance Act 2011 \(c. 11\)](#), [Sch. 13 paras. 15, 31](#)
- F11** S. 15(2B) inserted (1.1.2013) by [Finance Act 2012 \(c. 14\)](#), [Sch. 20 paras. 9, 55\(1\)](#)

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**Changes to legislation:** There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 15. (See end of Document for details)

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- F12** Word in s. 15(3)(a) inserted (with effect in accordance with Sch. 14 para. 13 of the amending Act) by Finance Act 2011 (c. 11), **Sch. 14 para. 12(3)(e)**
- F13** Word in s. 15(3)(a) substituted (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), **Sch. 1 para. 526(3)** (with Sch. 2 )
- F14** Words in s. 15(3)(b) substituted (with effect in accordance with Sch. 14 para. 13 of the amending Act) by Finance Act 2011 (c. 11), **Sch. 14 para. 12(3)(f)**

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 15.