



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 14

FIXTURES

Restrictions on amount of qualifying expenditure

186 Fixture on which an industrial buildings allowance has been made

- (1) This section applies if—
- a person (“the past owner”) has at any time claimed an allowance to which he [^{F1}was] entitled under Part 3 (industrial buildings allowances) in respect of expenditure which was or included expenditure on the provision of plant or machinery,
 - the past owner has transferred the interest which [^{F2}was] the relevant interest for the purposes of Part 3, and
 - the current owner of the plant or machinery makes a claim in respect of expenditure (“new expenditure”) incurred—
 - on the provision of the plant or machinery, and
 - at a time when it is a fixture in the building.
- (2) If the new expenditure exceeds the maximum allowable amount, the excess is to be left out of account in determining the current owner’s qualifying expenditure.
- (3) [^{F3}If the total consideration for the transfer by the past owner exceeds R,] the maximum allowable amount is—

$$\frac{F}{T} \times R$$

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 186. (See end of Document for details)

where—

F is the part of the consideration for the transfer by the past owner that is attributable to the fixture,

T is the total consideration for that transfer, and

R is the residue of qualifying expenditure [^{F4}which would have been] attributable to the relevant interest immediately after that transfer, calculated on the assumption that the transfer was a sale of the relevant interest [^{F5}, had the time immediately after the transfer fallen immediately before the repeal of Part 3 by section 84 of [^{F6}FA] 2008.]

[^{F7}(3A) Where subsection (3) does not apply, the maximum allowable amount is the part of the consideration for the transfer by the past owner that is attributable to the fixture.]

- (4) For the purposes of this section the current owner of the plant or machinery is—
- (a) the person to whom the past owner transferred the relevant interest, or
 - (b) any person who is subsequently treated as the owner of the plant or machinery.
- (5) In this section “building” and “residue of qualifying expenditure” have the same meaning as [^{F8}for the purposes of Part 3 immediately before its repeal by section 84 of [^{F9}FA] 2008.]

Textual Amendments

- F1** Word in s. 186(1)(a) substituted (with effect in accordance with Sch. 27 para. 30(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 27 para. 5\(2\)](#)
- F2** Word in s. 186(1)(b) substituted (with effect in accordance with Sch. 27 para. 30(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 27 para. 5\(2\)](#)
- F3** Words in s. 186(3) inserted (with effect in accordance with Sch. 27 para. 30(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 27 para. 5\(3\)\(a\)](#)
- F4** Words in s. 186(3) inserted (with effect in accordance with Sch. 27 para. 30(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 27 para. 5\(3\)\(b\)\(i\)](#)
- F5** Words in s. 186(3) inserted (with effect in accordance with Sch. 27 para. 30(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 27 para. 5\(3\)\(b\)\(ii\)](#)
- F6** Word in s. 186(3) substituted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), [s. 126\(5\)\(a\)](#)
- F7** S. 186(3A) inserted (with effect in accordance with Sch. 27 para. 30(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 27 para. 5\(4\)](#)
- F8** Words in s. 186(5) substituted (with effect in accordance with Sch. 27 para. 30(2) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 27 para. 5\(5\)](#)
- F9** Word in s. 186(5) substituted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), [s. 126\(5\)\(a\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 186.