



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 14

FIXTURES

Restrictions on amount of qualifying expenditure

[^{F1}186A Fixtures on which a business premises renovation allowance has been made

- (1) This section applies if—
 - (a) a person (“the past owner”) has at any time claimed an allowance to which that person was entitled under Part 3A (business premises renovation allowances) in respect of qualifying expenditure under that Part incurred in respect of a qualifying building (“Part 3A expenditure”),
 - (b) there has been a balancing event within section 360N(1) as a result of which an asset representing the whole or part of the Part 3A expenditure (“the Part 3A asset”) ceased to be owned by the past owner,
 - (c) the Part 3A asset was or included plant or machinery, and
 - (d) the current owner makes a claim under this Part in respect of expenditure (“new expenditure”) incurred—
 - (i) on the provision of the plant or machinery, and
 - (ii) at a time when it is a fixture.
- (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) If the proceeds from the balancing event mentioned in subsection (1)(b) exceed R, the maximum allowance amount is—

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

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

where—

F is so much of the proceeds from the balancing event as are attributable to the fixture,

T is the total amount of the proceeds from the balancing event, and

R is the qualifying expenditure incurred by the past owner on the Part 3A asset less the net Part 3A allowances in respect of that asset.

- (4) Where subsection (3) does not apply, the maximum allowable amount is so much of the proceeds from the balancing event as are attributable to the fixture.
- (5) For the purposes of subsection (3) the “net Part 3A allowances” in respect of the Part 3A asset means—
- (a) the total of any allowances made under Part 3A in respect of the past owner's qualifying expenditure, less
 - (b) the total of any balancing charges made under that Part in respect of that expenditure.
- (6) For the purposes of this section, the current owner of the plant or machinery is—
- (a) the person who acquired the Part 3A asset from the past owner, or
 - (b) any person who is subsequently treated as the owner of the plant or machinery.]

Textual Amendments

- F1** S. 186A inserted (with effect in accordance with Sch. 10 para. 12 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 10 para. 6](#)

Changes to legislation:

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