



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

#### CHAPTER 15

##### ASSET PROVIDED OR USED ONLY PARTLY FOR QUALIFYING ACTIVITY

#### **207 Reduction of allowances and charges on expenditure in single asset pool**

- (1) This section applies if a person's expenditure is in a single asset pool under section 206(1) or (3).
- (2) The amount of—
  - (a) any writing-down allowance or balancing allowance to which the person is entitled, or
  - (b) any balancing charge to which the person is liable,must be reduced to an amount which is just and reasonable having regard to the relevant circumstances.
- (3) The relevant circumstances include, in particular, the extent to which it appears that the plant or machinery was used in the chargeable period in question for purposes other than those of the person's qualifying activity.
- (4) In calculating under section 59 the amount of unrelieved qualifying expenditure carried forward, a reduction of a writing-down allowance under subsection (2) is to be disregarded.
- (5) If a person entitled to a writing-down allowance for a chargeable period—
  - (a) does not claim the allowance, or
  - (b) claims less than the full amount of the allowance,

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***Changes to legislation:*** *There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 207. (See end of Document for details)*

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the unrelieved qualifying expenditure carried forward from the period is to be treated as not reduced or (as the case may be) only proportionately reduced.

**Changes to legislation:**

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