



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 15

ASSET PROVIDED OR USED ONLY PARTLY FOR QUALIFYING ACTIVITY

[^{F1}208A Cars: disposal value in avoidance cases

- (1) This section applies if—
 - (a) a disposal value is required to be brought into account under section 61,
 - (b) the disposal event is that the person ceases to own a section 206 car because of a sale or the performance of a contract, and
 - (c) allowances under this Part in respect of the person's expenditure under that transaction are restricted under section 217 or 218 (anti-avoidance).
- (2) A car is a section 206 car if expenditure on the provision of the car is required to be allocated to a single asset pool under that section.
- (3) The disposal value to be brought into account is—
 - (a) the market value of the car at the time of the disposal event, or
 - (b) if less, the capital expenditure incurred, or treated as incurred, on the provision of the car by the person disposing of it.
- (4) The person acquiring the car is to be treated as having incurred capital expenditure on its provision of an amount equal to the disposal value required to be brought into account under subsection (3).
- (5) In this section “car” has the meaning given in section 268A.]

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 208A. (See end of Document for details)

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Textual Amendments

- F1** S. 208A inserted (with effect in accordance with Sch. 11 paras. 26-28 to the amending Act) by [Finance Act 2009 \(c. 10\)](#), **Sch. 11 para. 10** (with Sch. 11 paras. 30-32)

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