



Capital Allowances Act 2001

2001 CHAPTER 2

PART 5

MINERAL EXTRACTION ALLOWANCES

CHAPTER 6

ALLOWANCES AND CHARGES

Disposal values

424 Disposal value restricted in case of interest in land

- (1) If the asset in relation to which a disposal value is required to be brought into account under section 421 or 422 is an interest in land, the disposal value is restricted by excluding the undeveloped market value of the interest.
- (2) “The undeveloped market value of the interest” means the amount that, at the time of the disposal, the interest might reasonably be expected to fetch on a sale in the open market on the assumptions in subsection (3).
- (3) The assumptions are that—
 - (a) there is no source of mineral deposits on or in the land, and
 - (b) it will only ever be lawful to carry out existing permitted development.
- (4) Development is existing permitted development if at the time of the disposal—
 - (a) it has been, or had begun to be, lawfully carried out, or
 - (b) it could be lawfully carried out under planning permission granted by a general development order.
- (5) In applying subsection (4) in relation to land outside the United Kingdom—

Changes to legislation: *There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 424. (See end of Document for details)*

- (a) whether, at the time of the disposal, development has been, or had begun to be, lawfully carried out is to be determined according to the law of the territory in which the land is situated, and
- (b) whether, at that time, development could be lawfully carried out under planning permission granted by a general development order is to be determined as if the land were in England.

Changes to legislation:

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