



Capital Allowances Act 2001

2001 CHAPTER 2

PART 6

RESEARCH AND DEVELOPMENT ALLOWANCES

CHAPTER 4

ADDITIONAL VAT LIABILITIES AND REBATES

449 Effect on balancing charges of additional VAT rebates in earlier chargeable periods

- (1) Section 442 (balancing charges) has effect subject to this section if—
- (a) an allowance is made to a person for a chargeable period (“the original period”) in respect of qualifying expenditure,
 - (b) the person is required to bring a disposal value into account for a later chargeable period in respect of that expenditure, and
 - (c) the person has been required by section 448(4)(a) to bring one or more disposal values (“VAT disposal values”) into account in respect of that expenditure for one or more chargeable periods after the original period but before the later chargeable period.
- (2) In relation to the later chargeable period, subsection (3)(a) of section 442 applies as if the unclaimed allowance were reduced by—

$$DV - BC$$

where—

DV is the total amount of the VAT disposal values, and

BC is the total amount of any balancing charges to which the person is liable under that section as a result of bringing into account the VAT disposal values.

Status: This is the original version (as it was originally enacted).

- (3) In relation to the later chargeable period, subsection (3)(b) of section 442 applies as if the allowance made in respect of the qualifying expenditure were reduced by BC.