



Capital Allowances Act 2001

2001 CHAPTER 2

PART 10

ASSURED TENANCY ALLOWANCES

CHAPTER 6

BALANCING ADJUSTMENTS

Calculation of balancing adjustments

517 Dwelling-house not a qualifying dwelling-house throughout

- (1) This section provides for balancing adjustments where the building was not a qualifying dwelling-house for a part of the relevant period of ownership.
- (2) A balancing allowance is made if—
 - (a) the proceeds from the balancing event are less than the starting expenditure attributable to the dwelling-house, and
 - (b) the total amount of the relevant allowances in respect of that expenditure is less than the adjusted net cost of the dwelling-house.
- (3) The amount of the balancing allowance is the amount of the difference between the adjusted net cost of the dwelling-house and the total amount of the relevant allowances.
- (4) A balancing charge is made if the proceeds from the balancing event are equal to or more than the starting expenditure attributable to the dwelling-house.
- (5) The amount of the balancing charge is equal to the total amount of the relevant allowances.
- (6) A balancing charge is also made if—
 - (a) the proceeds from the balancing event are less than the starting expenditure attributable to the dwelling-house, and

Status: This is the original version (as it was originally enacted).

- (b) the total amount of the relevant allowances in respect of that expenditure is more than the adjusted net cost in relation to the dwelling-house.
- (7) The amount of the balancing charge is the amount of the difference between the total amount of those allowances and the adjusted net cost.
- (8) “The relevant allowances” means—
 - (a) any initial allowance under paragraph 1 of Schedule 12 to FA 1982, and
 - (b) any writing-down allowance made for a chargeable period ending on or before the date of the balancing event in question.