



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

#### [<sup>F1</sup>CHAPTER 6A

##### INTERPRETATION OF PROVISIONS ABOUT LONG FUNDING LEASES

##### *Meaning of “long funding lease” etc*

#### [<sup>F1</sup>70G “Long funding lease”

- (1) A “long funding lease” is a funding lease (see section 70J) which meets the following conditions—
  - (a) it is not a short lease (see section 70I),
  - (b) it is not an excluded lease of background plant or machinery for a building (see section 70R),
  - (c) it not excluded by section 70U (plant or machinery leased with land: low percentage value).
- (2) Where, at the commencement of the term of a plant or machinery lease, the plant or machinery—
  - (a) is not being used for the purposes of a qualifying activity carried on by the person concerned, but
  - (b) subsequently begins to be used for the purposes of a qualifying activity carried on by that person,the plant or machinery lease is a long funding lease if the condition in subsection (3) is met.

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**Changes to legislation:** There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 70G. (See end of Document for details)

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- (3) The condition is that (apart from section 70H) the plant or machinery lease would have been a long funding lease at its inception had the plant or machinery been used at that time for the purposes of a qualifying activity carried on by the person concerned.
- (4) This section is subject, in the case of the lessee, to—
- (a) section 70H (requirement for tax return treating lease as long funding lease);
  - (b) section 70Q (leases excluded by right of lessor etc to claim capital allowances).
- (5) See also paragraph 91A of Schedule 22 to [<sup>F2</sup>FA] 2000 (tonnage tax: certain leases to be treated as not being long funding leases).]

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**Textual Amendments**

- F1** Pt. 2 Ch. 6A inserted (with effect in accordance with Sch. 8 para. 15 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 8 para. 7](#)
- F2** Word in s. 70G(5) substituted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), [s. 126\(5\)\(a\)](#)

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 70G.