SCHEDULES

SCHEDULE 24

ANNUAL INVESTMENT ALLOWANCE

PART 1

AMENDMENTS OF CAA 2001

10 (1) Section 236 (additional VAT liability generates first-year allowance) is amended as follows.

(2) After subsection (3) insert—

"(3A) Subsection (3B) applies if—

(a) the original expenditure was AIA qualifying expenditure, and

(b) the additional VAT liability is incurred at a time when the plant or machinery is provided for the purposes of the qualifying activity.

(3B) The additional VAT liability is to be regarded for the purposes of this Part as AIA qualifying expenditure incurred on the same plant or machinery as the original expenditure in the chargeable period in which the liability accrues.

(3C) Section 51A(7) applies to AIA qualifying expenditure constituted by the additional VAT liability as it applies to other AIA qualifying expenditure."

(3) In the heading, after "**allowance**" insert "**or annual investment allowance**".