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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012, Cross Heading: Flat conversion allowances. (See end of Document for details)*

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## SCHEDULES

### SCHEDULE 39

#### REPEAL OF MISCELLANEOUS RELIEFS ETC

#### PART 5

##### CAPITAL ALLOWANCES

###### *Flat conversion allowances*

- 36 Part 4A of CAA 2001 (flat conversion allowances) does not apply—
- (a) for corporation tax purposes, in relation to expenditure incurred on or after 1 April 2013, and
  - (b) for income tax purposes, in relation to expenditure incurred on or after 6 April 2013.
- 37 Part 4A of CAA 2001 is repealed.
- 38 (1) In consequence of the provision made by paragraph 37, CAA 2001 is amended as follows.
- (2) In section 1(2) (allowances for which Act provides), omit paragraph (ca).
  - (3) In section 2(3) (giving effect to capital allowances), omit the entry relating to section 393T.
  - (4) In section 567(1) (sales treated as being for alternative amount: introductory), omit “4A,”.
  - (5) In section 570(1) (elections under section 569: supplementary), omit “or 4A”.
  - (6) In section 570A(1) (avoidance affecting proceeds of balancing event), omit “4A,”.
  - (7) In section 573(1) (transfers treated as sales), omit “, 4A”.
  - (8) In Part 2 of Schedule 1 (list of defined expressions), omit the entries for the following defined expressions—
    - “balancing adjustment (in Part 4A)”,
    - “balancing event (in Part 4A)”,
    - “dwelling (in Part 4A)”,
    - “flat (in Part 4A)”,
    - “lease and related expressions (in Part 4A)”,
    - “proceeds from a balancing event (in Part 4A)”,
    - “qualifying building (in Part 4A)”,
    - “qualifying flat (in Part 4A)”,
    - “relevant interest (in Part 4A)”, and

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“residue of qualifying expenditure (in Part 4A)”.

- (9) In Part 2 of that Schedule, in the entry for “sale, transfers under Parts 3A, 4A and 10 treated as”, omit “, 4A”.
- 39 In consequence of the provision made by paragraphs 37 and 38, the following provisions are repealed—
- (a) in FA 2001, section 67 and Schedule 19,
  - (b) in ITTOIA 2005, paragraphs 559 and 560 of Schedule 1, and
  - (c) in CTA 2009, paragraphs 505 to 507 of Schedule 1.
- 40 (1) The amendments made by paragraphs 37 to 39 have effect—
- (a) for corporation tax purposes, in relation to chargeable periods beginning on or after 1 April 2013, and
  - (b) for income tax purposes, in relation to chargeable periods beginning on or after 6 April 2013.
- (2) But see also—
- (a) paragraph 41 (which deals with the case of a company's chargeable period for corporation tax purposes straddling 1 April 2013), and
  - (b) paragraph 42 (which saves the continued operation of certain provisions).
- 41 (1) This paragraph applies if, for corporation tax purposes, the chargeable period of a company begins before, and ends on or after, 1 April 2013.
- (2) The company is entitled only to the relevant proportion of any writing-down allowance for that chargeable period to which it would, but for this paragraph, have been entitled under section 393J of CAA 2001.
- (3) The relevant proportion is—

$$\frac{A}{B}$$

where—

A is the number of days in the chargeable period falling before 1 April 2013, and

B is the number of days in the chargeable period.

- 42 (1) Nothing in paragraph 37 or 40(1) is to affect the operation of—
- (a) section 393I of CAA 2001 (withdrawal of allowance if flat not qualifying flat or if relevant interest sold before flat first let), or
  - (b) sections 393M to 393P of CAA 2001 (balancing adjustments),
- for chargeable periods beginning on or after the relevant date in relation to expenditure incurred before that date.
- (2) The relevant date is—
- (a) for corporation tax purposes, 1 April 2013, and
  - (b) for income tax purposes, 6 April 2013.

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