

FINANCE ACT 2014

EXPLANATORY NOTES

INTRODUCTION

Section 10 and Schedule 2: Temporary Increase in Annual Investment Allowance

Details of the Schedule

Part 2

25. Paragraph 6 amends Section 7 of Finance Act 2013 which increased the maximum AIA from £25,000 to £250,000 for a period from 1 January 2013 to 31 December 2014.
26. Paragraph 6(2) amends the period of temporary increase in the AIA limit to £250,000 from two years beginning with 1 January 2013 to a period beginning with 1 January 2013 and ending with the specified date given by Paragraph 6(3) of 31 March 2014 for corporation tax purposes or 5 April 2014 for income tax purposes.
27. Paragraph 6(4) provides for an ancillary amendment to paragraph 7(2)(a).
28. Paragraph 7 amends Schedule 1 of Finance Act 2013 which provides transitional rules for chargeable periods that straddle 1 January 2013 or 1 January 2015.
29. Paragraph 7(2)(a) limits the application of transitional rules for a chargeable period which spans 1 January 2013 to those chargeable periods which span 1 January 2013 and end on or before the specified date of 31 March 2014 for corporation tax or 5 April 2014 for income tax which is given by Paragraph 7(2)(b). Transitional rules for a chargeable period which begins before 1 January 2013 and ends after 31 March (or 5 April) 2014 are given by Paragraphs 1 and 2 of Schedule 1 of Finance Act 2014 (see above).
30. Paragraph 7(3) omits paragraph 4 of Schedule 1 of Finance Act 2013 which dealt with a chargeable period which straddles 1 January 2015, which is replaced by Paragraph 4 of Schedule 1 of Finance Act 2014 providing transitional rules for the chargeable period which straddles 1 January 2016.
31. Paragraph 7(4) provides ancillary amendments to paragraph 7(2) and 7(3).