
Changes to legislation: There are currently no known outstanding effects for the Corporation Tax (Northern Ireland) Act 2015, PART 4. (See end of Document for details)

SCHEDULES

SCHEDULE 1

CAPITAL ALLOWANCES

PART 4

AMENDMENTS OF CAA 2001 RELATING TO OTHER ALLOWANCES

Business premises renovation allowances

- 11 (1) Section 360Z (giving effect to allowances and charges: trades) is amended as follows.
- (2) In subsection (3), for the words from “subject to” onwards substitute “subject to—
- (a) section 6E (giving effect to allowances and charges: NI rate activity cases), and
 - (b) the following provisions of this Chapter.”
- (3) After that subsection insert—
- “(4) If a company or partnership is as a result of section 6D (NI rate activity treated as separate trade) treated for the purposes of this Act as carrying on two separate trades, the question of whether an allowance or charge relates to the NI rate activity or the main rate activity is to be determined by reference to the purposes for which the qualifying building is used.
- (5) If the qualifying building is used both for the purposes of the NI rate activity and for the purposes of the main rate activity, allowances and charges are to be apportioned on a just and reasonable basis between the trade consisting of the NI rate activity and the trade consisting of the main rate activity, according to the proportion of use for the purposes of the NI rate activity.
- (6) In this section “main rate activity” means an activity other than an NI rate activity.”

Mineral extraction allowances

- 12 In section 394 (mineral extraction allowances), after subsection (2) insert—
- “(2A) If a company or partnership is as a result of section 6D (NI rate activity treated as separate trade) treated for the purposes of this Act as carrying on two separate trades, each of them is for the purposes of this Part to be treated as a mineral extraction trade if the separate trades would together be so treated.”
- 13 (1) Section 432 (giving effect to allowances and charges) is amended as follows.
- (2) The existing provision becomes subsection (1) of the section.

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(3) After that subsection insert—

“(2) This section is subject to section 6E (giving effect to allowances and charges: NI rate activity cases).”

Research and development

14 After section 439 insert—

“439A Qualifying expenditure incurred for purposes of NI rate activity

(1) Subsection (2) applies if—

- (a) a company that does not have a Northern Ireland regional establishment incurs expenditure for the purposes of a trade,
- (b) the activities for the purposes of which the expenditure is incurred would, if the company were a NIRE company, be an NI rate activity treated as a separate trade, and
- (c) the company subsequently becomes a NIRE company.

(2) The expenditure is to be treated as incurred on the first day of the first chargeable period in which the company is a NIRE company.

(3) Subsection (4) applies if—

- (a) a partnership that does not have a Northern Ireland regional establishment incurs expenditure for the purposes of a trade,
- (b) the activities for the purposes of which the expenditure is incurred would, if the partnership were a Northern Ireland Chapter 7 firm, be an NI rate activity treated as a separate trade, and
- (c) the partnership subsequently becomes a Northern Ireland Chapter 7 firm.

(4) The expenditure is to be treated as incurred on the first day of the first chargeable period in which the partnership is a Northern Ireland Chapter 7 firm.

(5) In this section “Northern Ireland regional establishment” has the same meaning as in Part 8B of CTA 2010 (see Chapter 5 of that Part as read, in relation to a partnership, with section 357WA(4) of that Act).”

15 (1) Section 450 (giving effect to allowances and charges) is amended as follows.

(2) The existing provision becomes subsection (1) of the section.

(3) After that subsection insert—

“(2) This section is subject to section 6E (giving effect to allowances and charges: NI rate activity cases).”

Dredging allowances

16 In section 484 (dredging allowances), after subsection (2) insert—

“(2A) If a company or partnership is as a result of section 6D (NI rate activity treated as separate trade) treated for the purpose of this Act as carrying on

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two separate trades, each of them is for the purposes of this Part to be treated as a qualifying trade if the separate trades would together be so treated.”

- 17 (1) Section 489 (giving effect to allowances) is amended as follows.
- (2) The existing provision becomes subsection (1) of the section.
- (3) After that subsection insert—
- “(2) This section is subject to section 6E (giving effect to allowances and charges: NI rate activity cases).”

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