



Finance Act 1959

1959 CHAPTER 58

PART III

INCOME TAX

- 21 Restoration of investment allowances, and additional grant of initial allowances in certain cases**
- (1) Subject to the provisions of this section, subsections (2) to (5) of section sixteen of the Finance Act, 1954 (which provide for the making of investment allowances, and in the case of investment allowances under subsections (2) to (4) thereof provide that the allowances are to be in lieu of initial allowances under Part X of the Income Tax Act, 1952) shall apply to expenditure incurred after the seventh day of April, nineteen hundred and fifty-nine, and accordingly section fifteen of the Finance Act, 1956 (by which investment allowances were, with certain exceptions, suspended) shall not apply to such expenditure.
- (2) An initial allowance shall be made under Part X of the Income Tax Act, 1952, in any case where it would have fallen to be made (whether in any event, or on the election of the person entitled) apart from this section but would be excluded, but for this subsection, by any of the provisions of the said section sixteen, so however that it shall be reduced—
- (a) if for industrial buildings or structures, or for machinery or plant, by two-thirds, or
 - (b) if for the construction of mining works, by one-half;
- and accordingly the enactments mentioned in the Fourth Schedule to this Act shall have effect in relation to any such case subject to the modifications set out in that Schedule.
- (3) The proviso to subsection (4) of section sixteen of the Finance Act, 1954 (by which a person incurring expenditure on the construction of mining works may elect to receive either an investment allowance or an initial allowance) shall not apply in relation to expenditure incurred after the said seventh day of April.

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

- (4) Where an initial allowance falls to be made under section seventeen of the Finance Act, 1956 (dredging) in respect of expenditure incurred after the said seventh day of April.—
- (a) an investment allowance equal to one-tenth of the expenditure shall be made in addition to the initial allowance, and
 - (b) the initial allowance shall be reduced from three twentieths to one-twentieth, and any provision of the Income Tax Acts applicable to initial allowances under the said section seventeen shall apply also to investment allowances under this subsection, except that an investment allowance shall not be taken into account—
 - (i) in determining under paragraph (b) of subsection (1) of that section the period for which annual allowances are to continue to be made, or
 - (ii) in determining under subsection (2) of that section the deduction to be made from the amount of the said expenditure for the purpose of calculating an additional allowance on the permanent discontinuance of the trade.
- (5) The Fifth Schedule to this Act shall have effect for the purposes of investment allowances under the foregoing subsection.
- (6) Expenditure shall not be treated for the purposes of this section as having been incurred after the said seventh day of April by reason only of any of the following provisions of the Income Tax Act, 1952 (which relate to expenditure incurred by a person for the purposes of a trade before he begins to carry it on), that is to say—
- subsection (6) of section two hundred and sixty-five,
 - subsection (2) of section two hundred and seventy-nine, or
 - subsection (1) of section three hundred and nine.