

2020 No. 260

CORPORATION TAX

**The Capital Allowances Act 2001 (Amendment of Section 45K)
Order 2020**

<i>Made</i>	- - - -	<i>10th March 2020</i>
<i>Laid before the House of Commons</i>		<i>11th March 2020</i>
<i>Coming into force</i>	- -	<i>1st April 2020</i>

The Treasury, in exercise of the power conferred by section 45K(1A) of the Capital Allowances Act 2001(a), make the following Order.

Citation and commencement

1. This Order may be cited as the Capital Allowances Act 2001 (Amendment of Section 45K) Order 2020 and comes into force on 1st April 2020.

Amendment of section 45K of the Capital Allowances Act 2001

2.—(1) Section 45K of the Capital Allowances Act 2001 (expenditure on plant and machinery for use in designated assisted areas) is amended as follows.

(2) In subsection (1)(b)—

- (a) omit “of 8 years”, and
- (b) at the end insert “and ending with whichever is the later of the day immediately before the eighth anniversary of that date or 31st March 2021”.

10th March 2020

Iain Stewart
David Rutley
Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

Section 45K of the Capital Allowances Act 2001 provides for 100 per cent first-year capital allowances for companies investing in plant or machinery for use primarily in designated assisted areas. To qualify for this relief the expenditure must be incurred at a time when an area is (or is treated as) designated under subsection (2)(a), and must be incurred in the period specified in subsection (1)(b), of the section.

(a) 2001 c. 2; section 45K was inserted by paragraph 3 of Schedule 11 to the Finance Act 2012 (c. 14) and relevantly amended by section 64(5) of the Finance Act 2014 (c. 26) and section 69 of the Finance Act 2016 (c. 24).

This Order amends section 45K so as to provide that the period specified in subsection (1)(b) is the period beginning with the date on which the area is (or is treated as) designated under subsection (2)(a) and ending with whichever is the later of the day immediately before the eighth anniversary of that date or 31st March 2021.

A Tax Information and Impact Note covering this instrument will be published on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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