
Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Cross Heading: Exit: plant and machinery. (See end of Document for details)

SCHEDULES

SCHEDULE 22

TONNAGE TAX

PART IX

THE RING FENCE: CAPITAL ALLOWANCES: GENERAL

Exit: plant and machinery

- 85 (1) If a company leaves tonnage tax—
- (a) the amount of qualifying expenditure under [^{F1}Part 2 of the Capital Allowances Act 2001 (plant and machinery allowances)] (plant and machinery), and
 - (b) the pools to which such expenditure is to be allocated for the purposes of that Part,
- shall be determined under this paragraph.
- [^{F2}(1A) Sub-paragraph (1C) applies where the company leaves tonnage tax—
- (a) on the expiry of a tonnage tax election, or
 - (b) on a tonnage tax election ceasing to be in force under paragraph 13(2A) (taking effect of withdrawal notice under paragraph 15A).
- (1B) In any other case, sub-paragraph (2) applies.
- (1C) Where this sub-paragraph applies, the amount of qualifying expenditure in respect of each asset used by the company for the purposes of its tonnage tax activities and held by the company when it leaves tonnage tax shall be taken to be—
- (a) the market value of the asset at the time the company leaves tonnage tax, or
 - (b) if less, the amount of expenditure incurred on the provision of the asset that would have been qualifying expenditure if the company had not been subject to tonnage tax.]

(2) [^{F3}Where this sub-paragraph applies,] for each asset used by the company for the purposes of its tonnage tax activities and held by the company when it leaves tonnage tax there shall be determined—

 - (a) the amount of expenditure incurred on the provision of the asset that would have been qualifying expenditure if the company had not been subject to tonnage tax, and
 - (b) the written down value of that amount by reference to the period since the expenditure was incurred.

(3) The Inland Revenue shall make provision by regulations as to the basis on which the writing down is to be done.

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The regulations may make different provision for different descriptions of asset.

Textual Amendments

- F1** Words in Sch. 22 para. 85(1) substituted (22.3.2002 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 108(18)**
- F2** Sch. 22 para. 85(1A)-(1C) inserted (7.4.2005) by Finance Act 2005 (c. 7), **Sch. 7 paras. 13(2), 18(2)**
- F3** Words in Sch. 22 para. 85(2) inserted (7.4.2005) by Finance Act 2005 (c. 7), **Sch. 7 paras. 13(3), 18(2)**

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