



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 5

#### MINERAL EXTRACTION ALLOWANCES

### CHAPTER 7

#### SUPPLEMENTARY PROVISIONS

#### **432 Giving effect to allowances and charges**

An allowance or charge to which a person is entitled or liable under this Part is to be given effect in calculating the profits of that person's mineral extraction trade, by treating—

- (a) the allowance as an expense of the trade, and
- (b) the charge as a receipt of the trade.

#### **433 Treatment of demolition costs**

- (1) The net cost to a person of demolishing an asset which represents qualifying expenditure is added to that qualifying expenditure in determining the amount of any balancing allowance or balancing charge for the chargeable period in which the demolition occurs.
- (2) "The net cost of the demolition" means the amount, if any, by which the cost of the demolition exceeds any money received for the remains of the asset.
- (3) If this section applies, the net cost of the demolition is not treated as expenditure incurred on any other asset which replaces the demolished asset.

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*Status: This is the original version (as it was originally enacted).*

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#### **434 Time when expenditure incurred**

- (1) For the purposes of this Part, expenditure incurred for the purposes of a mineral extraction trade by a person about to carry it on is treated as incurred by that person on the first day on which that person does carry it on.
- (2) Subsection (1) does not apply to pre-trading expenditure on mineral exploration and access (for which specific provision is made by section 400(4)).

#### **435 Shares in assets**

- (1) This Part applies in relation to a share in an asset as it applies (under section 571) in relation to a part of an asset.
- (2) For the purposes of those provisions, a share in an asset is treated as used for the purposes of a trade so long as, and only so long as, the asset is used for the purposes of the trade.

#### **436 Meaning of “development” etc.**

- (1) In this Part—
  - “development”
  - “development order”,
  - “general development order”, and
  - “planning permission”,have the meaning given by the relevant planning enactment.
- (2) “The relevant planning enactment” means—
  - (a) in relation to land in England or Wales, section 336(1) of the Town and Country Planning Act 1990 (c. 8);
  - (b) in relation to land in Scotland, section 277(1) of the Town and Country Planning (Scotland) Act 1997 (c. 8);
  - (c) in relation to land in Northern Ireland, Article 2(2) of the Planning (Northern Ireland) Order 1991 (S.I.1991/1220 (N.I.11)).