

SCHEDULES

SCHEDULE 2

CONSEQUENTIAL AMENDMENTS

The Taxation of Chargeable Gains Act 1992 (c. 12)

Section 37 (consideration chargeable to tax on income)

- 77 In subsection (2), for paragraphs (a) and (b) substitute—
- “(a) taken into account in the making of a balancing charge under the Capital Allowances Act but excluding Part 10 of that Act,
 - (b) brought into account as the disposal value of plant or machinery under Part 2 of that Act, or
 - (c) brought into account as the disposal value of an asset representing qualifying expenditure under Part 6 of that Act.”

Section 41 (restriction of losses by reference to capital allowances etc.)

- 78 (1) In subsection (3), for paragraphs (a) and (b) substitute—
- “(a) by a transfer by way of sale in relation to which an election under section 569 of the Capital Allowances Act was made, or
 - (b) by a transfer to which section 268 of that Act applies.”
- (2) In subsection (4), for paragraph (a) substitute—
- “(a) any allowance under the Capital Allowances Act.”
- (3) In subsection (7)—
- (a) for “machinery or plant” (in each place) substitute “plant or machinery”,
 - (b) for “Part II of the 1990 Act, and neither section 79 (assets used only partly for trade purposes) nor section 80 (wear and tear subsidies) of that Act” substitute “Part 2 of the Capital Allowances Act, and neither Chapter 15 (assets provided or used only partly for qualifying activity) nor Chapter 16 (partial depreciation subsidies) of that Part”, and
 - (c) for “capital expenditure” substitute “qualifying expenditure”.

Section 195 (allowance of certain drilling expenditure)

- 79 (1) In subsection (2), for paragraphs (b) and (c) substitute—
- “(b) either it is expenditure in respect of which the person was entitled to an allowance under section 441 of the Capital Allowances Act (research and development allowances) for a relevant chargeable period which began before the date of the disposal or it would have been such expenditure if the trading condition had been fulfilled, and

Status: This is the original version (as it was originally enacted).

- (c) on the disposal, section 443 of that Act (disposal values) applies in relation to the expenditure or would apply if the trading condition had been fulfilled (and the expenditure had accordingly been qualifying expenditure under Part 6 of that Act).”
- (2) In subsection (3)—
 - (a) for “section 137 of the 1990 Act” substitute “section 441 of the Capital Allowances Act”, and
 - (b) omit the definition of “basis year” and the word “and” before it.
- (3) In subsection (4), for “trading receipt” substitute “disposal value” and for paragraphs (a) and (b) substitute—
 - “(a) is required to be brought into account under section 443 of the Capital Allowances Act; or
 - (b) would be required to be so brought into account if the trading condition had been fulfilled (and the expenditure had accordingly been qualifying expenditure under Part 6 of that Act).”
- (4) Omit subsection (5).
- (5) In subsection (6)—
 - (a) for “which had not in fact been allowed or become allowable” substitute “in respect of which the person had not in fact been entitled to an allowance”,
 - (b) for “section 137 of the 1990 Act” substitute “section 441 of the Capital Allowances Act”, and
 - (c) omit paragraph (b) and the word “and” before it.
- (6) In subsection (8), for “Part VII of the Capital Allowances Act 1990 (allowances for research and development expenditure)” substitute “Part 6 of the Capital Allowances Act (research and development allowances)”.

Section 288 (interpretation)

- 80 In subsection (1), omit the definition of “the 1990 Act” and after the definition of “building society” insert—

““the Capital Allowances Act” means the Capital Allowances Act 2001;”.

Schedule 3 (assets held on 31st March 1982)

- 81 In paragraph 7(8), for “section 121 of the 1990 Act” substitute “section 394 of the Capital Allowances Act”.