Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 1

INTRODUCTION

[F1 13A Use for other purposes of plant or machinery previously used for long funding leasing

(1) This section applies if a person who has been using plant or machinery for the purpose of leasing it under a long funding lease (see Chapter 6A)—

(a) ceases to use the plant or machinery for that purpose without ceasing to use it for the purposes of a qualifying activity carried on by him, and

(b) on the date of the cessation, owns the plant or machinery as a result of having incurred capital expenditure on its provision for the purposes of the qualifying activity.

(2) The person is to be treated—

(a) as having incurred capital expenditure ("notional expenditure") on the provision of the plant or machinery for the purposes of the qualifying activity on the day after the cessation,

(b) as owning the plant or machinery as a result of having incurred that expenditure, and

(c) as if the plant or machinery on and after that day were different plant or machinery from the plant or machinery before that day.

(3) The amount of the notional expenditure is an amount equal to the termination amount, determined in accordance with section 70YG, in the case of the long funding lease under which the plant or machinery was last leased before the cessation.]

Textual Amendments

F1 S. 13A inserted (with effect in accordance with Sch. 8 para. 15 of the amending Act) by Finance Act 2006 (c. 25), **Sch. 8 para. 2**

Changes to legislation:
There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 13A.