



Capital Allowances Act 2001

2001 CHAPTER 2

PART 1

INTRODUCTION

CHAPTER 1

CAPITAL ALLOWANCES: GENERAL

4 Capital expenditure

- (1) In this Act “capital expenditure” and “capital sums” are used in the sense given in this section.
- (2) “Capital expenditure” and “capital sums” do not include, in relation to a person incurring the expenditure or paying the sums—
 - (a) any expenditure or sum that may be deducted in calculating the profits or gains of a trade, profession or vocation or property business carried on by the person, or
 - [^{F1}(b) any expenditure or sum that may be allowed as a deduction under a relevant provision from the taxable earnings from an employment or office held by the person.]

[^{F2}(2A) In subsection (2)—

“relevant provision” means any of the following—

- (a) section 262;
- (b) section 232 of ITEPA 2003 (giving effect to mileage allowance relief);
- (c) Chapters 2 to 6 of Part 5 of that Act (general deductions allowed from earnings); and
- [^{F3}(d) sections 188 to 194 of FA 2004 (contributions under registered pension schemes), and]

Status: Point in time view as at 01/04/2009. This version of this provision has been superseded.
Changes to legislation: There are outstanding changes not yet made by the legislation.gov.uk editorial team to Capital Allowances Act 2001. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

“taxable earnings” has the meaning given by section 10 of ITEPA 2003.]

- (3) “Capital expenditure” and “capital sums” do not include, in relation to a recipient of the expenditure or sums—
- (a) any amounts that are to be added in calculating the profits or gains of a trade, profession or vocation or property business carried on by the recipient, or
 - (b) any amounts that are [^{F4}earnings] of an employment or office held by the recipient.
- (4) “Capital expenditure” and “capital sums” do not include, in relation to—
- (a) a person incurring the expenditure or paying the sums, or
 - (b) a recipient of the expenditure or sums,
- any expenditure or sum in the case of which a deduction of income tax falls or may fall to be made under [^{F5}Chapter 6 of Part 15 of ITA 2007 (deduction from annual payments or patent royalties) or under section 906 of that Act (certain royalties etc where usual place of abode of owner is abroad)].

^{F6}(5)

Textual Amendments

- F1** S. 4(2)(b) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 247\(2\)](#) (with Sch. 7)
- F2** S. 4(2A) inserted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 247\(3\)](#) (with Sch. 7)
- F3** Words in s. 4(2A) substituted (6.4.2006) by [Finance Act 2004 \(c. 12\), s. 284\(1\), Sch. 35 para. 48](#) (with Sch. 36)
- F4** Word in s. 4(3) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 247\(4\)](#) (with Sch. 7)
- F5** Words in s. 4(4) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 397\(2\)](#) (with Sch. 2)
- F6** S. 4(5) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 1 para. 397\(3\), Sch. 3 Pt. 1](#) (with Sch. 2)

Modifications etc. (not altering text)

- C1** S. 4 applied (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), ss. 608](#), (with Sch. 2)
- C2** S. 4 applied by 1988 c. 1, s. 349ZA(5) (as inserted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 149](#) (with Sch. 2))
- C3** S. 4 applied (6.4.2007) by [Income Tax Act 2007 \(c. 3\), ss. 910\(5\), 1034\(1\)](#) (with Sch. 2)
- C4** S. 4 applied (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), ss. 931, 1329\(1\)](#) (with Sch. 2 Pts. 1, 2)

Status:

Point in time view as at 01/04/2009. This version of this provision has been superseded.

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