



# Finance Act 2016

## 2016 CHAPTER 24

### PART 3

#### INCOME TAX AND CORPORATION TAX

##### *Property business deductions*

#### **74 Property business deductions: wear and tear allowance**

- (1) In Part 3 of ITTOIA 2005 (property income)—
  - (a) omit sections 308A to 308C and the italic heading before section 308A (wear and tear allowance), and
  - (b) in section 327 (capital allowances and loss relief: UK property business), in subsection (2), omit paragraph (c) and the “or” before that paragraph.
- (2) The amendments made by subsection (1) have effect for the tax year 2016-17 and subsequent tax years.
- (3) In Part 4 of CTA 2009 (property income)—
  - (a) omit sections 248A to 248C of CTA 2009 and the italic heading before section 248A (wear and tear allowance), and
  - (b) in section 269 (capital allowances and loss relief: UK property business), in subsection (2), omit paragraph (c) and the “or” before that paragraph.
- (4) The amendments made by subsection (3) have effect in relation to accounting periods beginning on or after 1 April 2016.
- (5) For the purposes of subsection (3), where a company has an accounting period beginning before 1 April 2016 and ending on or after that date (“the straddling period”) —
  - (a) so much of the straddling period as falls before 1 April 2016, and so much of that period as falls on or after that date, are treated as separate accounting periods, and

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**Changes to legislation:** Finance Act 2016, Section 74 is up to date with all changes known to be in force on or before 29 May 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) [View outstanding changes](#)

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- (b) any amounts brought into account for the purposes of calculating for corporation tax purposes the profits of a property business for the straddling period are apportioned to the two separate accounting periods in accordance with section 1172 of CTA 2010 (time basis) or, if that method produces a result that is unjust or unreasonable, on a just and reasonable basis.

**Changes to legislation:**

Finance Act 2016, Section 74 is up to date with all changes known to be in force on or before 29 May 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 19 para. 12(5)(b) inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(c\)](#)
- Sch. 19 para. 12(5)(a) word inserted by [2017 c. 32 Sch. 14 para. 49\(2\)\(b\)](#)
- Sch. 19 para. 51(8)(b) words inserted by [2017 c. 32 Sch. 14 para. 48\(2\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(a\)](#)
- Sch. 19 para. 53(1) words inserted by [2017 c. 32 Sch. 14 para. 48\(4\)\(b\)](#)
- Sch. 19 para. 12(5)(a) words renumbered as Sch. 19 para. 12(5)(a) by [2017 c. 32 Sch. 14 para. 49\(2\)\(a\)](#)
- Sch. 19 para. 58(1) words substituted by [2017 c. 32 Sch. 14 para. 48\(5\)](#)
- Sch. 20 para. 1(4)(e) inserted by [2021 c. 26 Sch. 27 para. 47\(2\)](#)
- Sch. 20 para. 3(3)(d) and word inserted by [2021 c. 26 Sch. 27 para. 47\(3\)\(b\)](#)
- Sch. 20 para. 5(5) inserted by [2021 c. 26 Sch. 27 para. 47\(5\)](#)
- Sch. 22 para. 2(4B) inserted by [2021 c. 26 Sch. 27 para. 48\(2\)\(c\)](#)
- Sch. 22 para. 3(4A) inserted by [2021 c. 26 Sch. 27 para. 48\(3\)](#)