SCHEDULES

SCHEDULE 13

Section 32

ANNUAL INVESTMENT ALLOWANCE: PERIODS STRADDLING 1 JANUARY 2019 OR 1 JANUARY 2021

Chargeable periods which straddle 1 January 2019

1 (1) This paragraph applies in relation to a chargeable period which begins before 1 January 2019 and ends on or after that date ("the first straddling period").

(2) The maximum allowance under section 51A of CAA 2001 for the first straddling period is the sum of the maximum allowances that would be found if the following were treated as separate chargeable periods—

(a) so much of the first straddling period as falls before 1 January 2019;

(b) so much of the first straddling period as falls on or after that date.

(3) But, so far as concerns expenditure incurred before 1 January 2019, the maximum allowance under section 51A of CAA 2001 for the first straddling period is what would be the maximum allowance if the modification made by section 32(1) were not made.

Chargeable periods which straddle 1 January 2021

2 (1) This paragraph applies in relation to a chargeable period ("the second straddling period") which begins before 1 January 2021 and ends on or after that date.

(2) The maximum allowance under section 51A of CAA 2001 for the second straddling period is the sum of the maximum allowances that would be found if the following were treated as separate chargeable periods—

(a) so much of the second straddling period as falls before 1 January 2021;

(b) so much of the second straddling period as falls on or after that date.

(3) But, so far as concerns expenditure incurred on or after 1 January 2021, the maximum allowance under section 51A of CAA 2001 for the second straddling period is the maximum allowance, calculated in accordance with sub-paragraph (2), for the period mentioned in paragraph (b) of that sub-paragraph.

Operation of annual investment allowance where restrictions apply

3 (1) Paragraphs 1 and 2 apply for the purpose of determining the maximum allowance under section 51K of CAA 2001 (operation of annual investment allowance where restrictions apply) in a case where one or more chargeable periods in which the relevant AIA qualifying expenditure is incurred are chargeable periods within paragraph 1(1) or 2(1).

(2) There is to be taken into account for that purpose only chargeable periods of one year or less (whether or not they are chargeable periods within paragraph 1(1) or 2(1)),

and, if there is more than one such period, only that period which gives rise to the greatest maximum allowance.

(3) Sub-paragraph (4) applies to a chargeable period if—

(a) it is longer than one year, and

(b) any part of the chargeable period is within the period of two years beginning with 1 January 2019.

(4) For the purposes of sub-paragraph (2) the chargeable period (the "relevant period") is to be divided into two periods, as follows—

(a) a chargeable period of one year ending when the relevant period ends, and

(b) a chargeable period consisting of so much of the relevant period as is not within paragraph (a).

(5) Nothing in this paragraph affects the operation of sections 51M and 51N of CAA 2001.