



# Capital Allowances Act 1990

## 1990 CHAPTER 1

### PART V

#### AGRICULTURAL BUILDINGS ETC.

### CHAPTER III

#### SUPPLEMENTAL

#### **132 Manner of making allowances and charges**

- (1) An allowance under section 122(1) shall be made by way of discharge or repayment of tax and shall be available primarily against agricultural income and forestry income.
- (2) Any other allowance and any charge made to or on any person under this Part shall, except as provided by subsections (3) and (4) below, be made to or on him in taxing his trade; and subsection (3) does not apply to an allowance to which subsection (1) above applies.
- (3) Any allowance which falls to be made to a person for a chargeable period in which he is not carrying on a trade shall be made by way of discharge or repayment of tax and shall be available primarily against agricultural income and forestry income and income which is the subject of a balancing charge.
- (4) Effect shall be given to a balancing charge to be made on a person for a chargeable period in which he is not carrying on a trade—
  - (a) if it is a charge to income tax, by making the charge under Case VI of Schedule D, and
  - (b) if it is a charge to corporation tax, by treating the amount on which the charge is to be made as agricultural income or forestry income.
- (5) In relation to chargeable periods beginning on or after 6th April 1993 subsections (1) and (3) above shall have effect with the omission of the words “and forestry income”

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*Status: This is the original version (as it was originally enacted).*

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and subsection (4) above shall have effect with the omission of the words “or forestry income”.

### **133 Interpretation of Part V**

(1) In this Part, including section 122—

“agricultural land” means land, houses or other buildings in the United Kingdom occupied wholly or mainly for the purposes of husbandry;

“agricultural income” means income chargeable under Schedule A in respect of agricultural land, and income chargeable under Schedule D in respect of farming or market gardening in the United Kingdom;

“forestry land” means woodlands in the United Kingdom in respect of which an election is in force for assessment and charge to tax under Schedule D by virtue of paragraph 5 of Schedule 6 to the Finance Act 1988, and any houses or other buildings in the United Kingdom which are occupied together with, and wholly or mainly for the purposes of, such woodlands;

“forestry income” means income chargeable under Schedule A in respect of forestry land, and income chargeable under Schedule D in respect of the occupation of woodlands in the United Kingdom;

“husbandry” includes any method of intensive rearing of livestock or fish on a commercial basis for the production of food for human consumption;

and references to this Part shall be construed in accordance with section 122(7).

(2) Subsection (1) above shall have effect, from 6th April 1993, with the omission of the definitions of “forestry land” and “forestry income”.

(3) In this Part, including section 122, “expenditure under an existing contract” means expenditure which consists of the payment of sums under a contract entered into on or before 13th March 1984 by the person incurring the expenditure.

(4) If an interest in land is conveyed or assigned by way of security and subject to a right of redemption, then, so long as such a right subsists, the interest held by the creditor shall be treated for the purposes of this Part as held by the person having that right.

(5) Any reference in this Part to a writing-down allowance is a reference to an allowance under section 123.

(6) Any reference in this Part to expenditure incurred on the construction of a building does not include any expenditure incurred on the acquisition of, or of rights in or over, any land.

(7) Without prejudice to any provision of Part VIII relating to the apportionment of sale, insurance, salvage or compensation moneys, the sum paid on the sale of the relevant interest in a building, fence or other works or any other sale, insurance, salvage or compensation moneys payable in respect of any building, fence or other works shall, for the purposes of this Part, be deemed to be reduced by an amount equal to so much thereof as, on a just apportionment, is attributable to assets representing expenditure other than expenditure in respect of which an allowance can be made under this Part.

(8) For the purposes of this Part and of the provisions of Part VIII which are relevant to this Part, any transfer of the relevant interest (in relation to any expenditure falling within section 123) otherwise than by way of sale shall be treated as a sale of the interest for a price other than that which it would have fetched if sold in the open market.

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

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- (9) If section 157 would not apart from this subsection have effect in relation to a transfer treated as a sale by virtue of subsection (8) above, that section shall have effect in relation to it as if it were a sale falling within section 157(1)(a).