



# Capital Allowances Act 1990

## 1990 CHAPTER 1

### PART II

#### MACHINERY AND PLANT

### CHAPTER III

#### EXPENSIVE MOTOR CARS

#### **35 Contributions to expenditure, and hiring of cars**

- (1) Where capital expenditure exceeding £8,000 is incurred on the provision of a motor car and, by virtue of section 154, writing-down allowances may be made to a person as if a contribution made by him to the expenditure had been expenditure on the provision of a motor car for the purposes of a trade, the amount of the allowance to be made for any chargeable period—
  - (a) shall be determined as if the contribution had been expenditure on the provision of the motor car for the purposes of a trade carried on by that person separately from any other trade carried on by him, and
  - (b) shall not exceed an amount bearing to £2,000 the same proportion as that borne by the contribution to the capital expenditure actually incurred on the provision of the motor car or, if the chargeable period is part only of a year, that amount proportionately reduced.
- (2) Where, apart from this subsection, the amount of any expenditure on the hiring of a motor car the retail price of which when new exceeds £8,000 would be allowed to be deducted in computing for the purposes of tax the profits or gains of any trade, that amount shall be reduced in the proportion which £8,000, together with one half of the excess, bears to that retail price.