



Capital Allowances Act 1990

1990 CHAPTER 1

PART II

MACHINERY AND PLANT

CHAPTER V

LEASED ASSETS AND INEXPENSIVE CARS

44 Further provisions relating to joint lessees in cases involving new expenditure

- (1) Without prejudice to the operation of section 46, this section shall have effect where new expenditure is incurred on the provision of machinery or plant which is leased as mentioned in section 43(1).
- (2) Where, by virtue of section 43(2), the whole or part of the new expenditure has qualified for a normal writing-down allowance and, at any time in the requisite period while it is leased as mentioned in that subsection—
 - (a) no lessee uses the machinery or plant for the purposes of a trade or trades the profits or gains of which are chargeable to income tax or corporation tax, and
 - (b) section 42(4) does not apply at that time and has not applied at any earlier time,sections 46 and 48(2) shall have effect as if the separate item of machinery or plant referred to in section 43(3)(a) had at that time begun to be used for the purpose of being leased to a non-resident, otherwise than by permitted leasing.
- (3) Where the whole or part of any new expenditure has qualified for a normal writing-down allowance and the machinery or plant is subsequently leased in the requisite period as mentioned in section 43(1), subsection (2) above shall apply as if the whole of the expenditure had qualified for a normal writing-down allowance by virtue only of section 43(2).
- (4) Where, by virtue of section 43(2), the whole or part of the new expenditure has qualified for a normal writing-down allowance and, at the end of the requisite period,

Status: This is the original version (as it was originally enacted).

the machinery or plant in question is leased as mentioned in section 43(1) but subsection (2) above has not had effect, then, if it appears that the extent to which the machinery or plant has been used for the purposes of such a trade or trades as are referred to in subsection (2) above is less than that which was taken into account in determining the amount of the new expenditure which qualified for a normal writing-down allowance—

- (a) section 46 shall have effect as if a part of the expenditure corresponding to the reduction in the extent of such use were expenditure on the provision of a separate item of machinery or plant used for the purpose of leasing to a non-resident, otherwise than by permitted leasing, on the last day of the requisite period; and
- (b) any disposal value subsequently brought into account in respect of the machinery or plant under section 24 shall, instead of being apportioned in accordance with section 43(3), be apportioned by reference to the extent of such use as determined at the end of that period.