



Capital Allowances Act 1990

1990 CHAPTER 1

PART II

MACHINERY AND PLANT

CHAPTER VI

FIXTURES

53 Expenditure incurred by equipment lessor

(1) In any case where—

- (a) a person (“the equipment lessor”) incurs capital expenditure on the provision of machinery or plant for leasing, and
- (b) an agreement is entered into for the lease, directly or indirectly from the equipment lessor, of the machinery or plant (otherwise than as part of the relevant land) to another person (“the equipment lessee”) for the purposes of a trade carried on by the equipment lessee or for leasing otherwise than in the course of a trade, and
- (c) the machinery or plant becomes a fixture, and
- (d) if the expenditure referred to in paragraph (a) above had been incurred by the equipment lessee, the fixture would, by virtue of section 52 have been treated for the purposes of this Part as belonging to him in consequence of his incurring the expenditure, and
- (e) the equipment lessor and the equipment lessee elect that this section should apply,

then, subject to section 57, on and after the time at which the expenditure is incurred the fixture shall be treated for the purposes of this Part as belonging to the equipment lessor in consequence of his incurring the expenditure.

- (2) An election under this section shall be made by notice to the inspector given before the expiry of the period of two years beginning at the end of the chargeable period

Status: This is the original version (as it was originally enacted).

related to the incurring of the expenditure referred to in subsection (1)(a) above; but no election may be made under this section if the equipment lessor and the equipment lessee are connected with each other within the terms of section 839 of the principal Act.

- (3) Where an election has been made under this section with respect to a fixture, nothing in section 52 shall have the effect of treating the fixture for the purposes of this Part as belonging to the equipment lessee.
- (4) In this Chapter “equipment lease” means such an agreement as is mentioned in subsection (1)(b) above or a lease entered into pursuant to such an agreement.