



Capital Allowances Act 2001

2001 CHAPTER 2

PART 10

ASSURED TENANCY ALLOWANCES

CHAPTER 6

BALANCING ADJUSTMENTS

Meaning of “the relevant period of ownership” etc.

520 The relevant period of ownership

The relevant period of ownership is the period beginning—

- (a) with the day on which the dwelling-house was first used for any purpose, or
 - (b) if the relevant interest in the dwelling-house has been sold after that day, with the day following that on which the sale (or the last such sale) occurred,
- and ending with the day on which the balancing event occurs.

521 Starting expenditure

- (1) This section gives the starting expenditure attributable to a dwelling-house for the purposes of section 517.
- (2) If the person to or on whom the balancing allowance or balancing charge falls to be made is the person who incurred the qualifying expenditure attributable to the dwelling-house, that expenditure is the starting expenditure.
- (3) Otherwise, the starting expenditure is the residue of qualifying expenditure attributable to the dwelling-house at the beginning of the relevant period of ownership.
- (4) If section 528 (treatment of demolition costs) applies, the starting expenditure is increased by an amount equal to the net cost of the demolition.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Cross Heading: Meaning of “the relevant period of ownership” etc.. (See end of Document for details)

522 Adjusted net cost

The amount of the adjusted net cost in relation to a dwelling-house is—

$$(S - P) \times \frac{I}{R}$$

where—

S is the starting expenditure attributable to the dwelling-house,

P is the amount of any proceeds from the balancing event,

I is the number of days in the relevant period of ownership on which the dwelling-house was a qualifying dwelling-house, and

R is the number of days in the whole of the relevant period of ownership.

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Cross
Heading: Meaning of “the relevant period of ownership” etc..