



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 12

SHIPS

Attribution of deferred amounts

140 Notice attributing deferred amounts to new expenditure

- (1) The shipowner may, by notice to the Inland Revenue, attribute all or part of an amount deferred under section 135 to expenditure on new shipping.
- (2) An amount attributed under this section is attributed to an equal amount of the expenditure on new shipping.
- (3) Subsection (1) is subject to subsections (4) and (5) and section 141 (deferred amounts attributed to earlier expenditure first).
- (4) Subsection (1) applies only if the expenditure on new shipping is incurred—
 - (a) by the shipowner or, if the shipowner is a company, by another company which is a member of the same group at the time when the expenditure is incurred, and
 - (b) within the period of 6 years beginning with the relevant disposal event.
- (5) An amount may be attributed to expenditure on new shipping only to the extent that amounts have not already been attributed to it under this section.
- (6) A notice given in respect of expenditure incurred by another company does not have effect unless the other company joins the shipowner in giving it.

Status: This is the original version (as it was originally enacted).

141 Deferred amounts attributed to earlier expenditure first

- (1) No part of an amount deferred under section 135 is to be attributed to the whole or a part of any expenditure on new shipping (“the current expenditure”) if there is other expenditure (“the earlier expenditure”) which—
- (a) was incurred before the current expenditure but at the same time as or after the relevant disposal event,
 - (b) was incurred by the shipowner or, if the shipowner is a company, by another company which was a member of the same group at the time the earlier expenditure was incurred, and
 - (c) is expenditure on new shipping, or would be treated as such but for an election under section 129 (election to use appropriate non-ship pool),
- unless the condition in subsection (2) is met in relation to the earlier expenditure.
- (2) The condition is that—
- (a) amounts have been attributed to all the earlier expenditure under section 140, and
 - (b) the attributions have been made in the case of the amount deferred and any other amounts deferred under section 135 as a result of disposal events occurring at the same time as or before the relevant disposal event.

142 Variation of attribution

- (1) The shipowner may, by notice, vary an attribution under section 140 (notice attributing deferred amounts to new expenditure).
- (2) The notice must be given to the Inland Revenue on or before the time limit for the shipowner to make a claim for deferment in respect of the relevant chargeable period.
- (3) For the time limit for making a claim for deferment, see section 135(3) to (5).
- (4) For the purposes of subsection (2), it is to be assumed that—
- (a) the shipowner is liable to a balancing charge for the relevant chargeable period, and
 - (b) a claim for deferment of that balancing charge can be made for the relevant chargeable period.
- (5) “The relevant chargeable period” means the earliest chargeable period in which expenditure to which the variation relates is incurred.
- (6) If the person to whose expenditure the notice relates is not the shipowner, a notice under subsection (1) does not have effect unless the person joins the shipowner in giving it.

143 Effect of attribution

- (1) This section applies if a notice is given under section 140 attributing an amount to expenditure on new shipping.
- (2) The amount must be brought into account as a disposal value—
- (a) for the chargeable period in which the expenditure is incurred, and
 - (b) in the single ship pool to which the expenditure is allocated.

144 Amounts which cease to be attributable

- (1) This section applies if—
 - (a) an amount has been deferred under section 135, and
 - (b) circumstances arise in which any part of the amount ceases (otherwise than by being attributed) to be attributable.
- (2) The shipowner is assumed not to have been entitled to defer so much of the amount as ceases to be attributable.
- (3) For the purposes of this section an amount is attributable if it may be attributed to expenditure on new shipping in accordance with section 140.

145 Requirement to notify where no entitlement to defer amounts

- (1) This section applies if—
 - (a) an amount has been deferred under section 135, and
 - (b) circumstances arise that require the shipowner to be treated as if he was not entitled to defer all or part of the amount.
- (2) The shipowner must give notice of the fact to the Inland Revenue, specifying the circumstances.
- (3) The notice must be given no later than 3 months after the end of the chargeable period in which the circumstances first arise.
- (4) An assessment to tax chargeable as a result of the circumstances may be made at any time in the period which—
 - (a) begins when those circumstances arise, and
 - (b) ends 12 months after the shipowner gives notice of them to the Inland Revenue.
- (5) Subsection (4) applies in spite of any limitation on the time for making assessments.