



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

[^{F1}CHAPTER 16ZA

ASSET PROVIDED OR USED ONLY PARTLY FOR NI RATE ACTIVITY

Textual Amendments

- F1** Pt. 2 Ch. 16ZA inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\), Sch. 1 para. 8](#)

212ZA Apportionment of expenditure incurred partly for NI rate activity

- (1) If in a chargeable period a company has incurred qualifying expenditure on the provision of plant or machinery—
 - (a) partly for the purposes of an NI rate activity, and
 - (b) partly for the purposes of a main rate activity,then for the purposes of any annual investment allowance or first year allowance to which the company is entitled the expenditure is to be apportioned between the NI rate activity and the main rate activity on a basis which is just and reasonable having regard to the relevant circumstances.
- (2) The relevant circumstances include, in particular, the extent to which it appears that the plant or machinery is likely to be used for purposes of the NI rate activity and the extent to which it appears that it is likely to be used for the main rate activity.
- (3) If the allowance falls to be reduced under section 205 or 210, it is the reduced amount that is apportioned under subsection (1).

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, CHAPTER 16ZA. (See end of Document for details)

212ZB Single asset pool etc

- (1) Qualifying expenditure to which this subsection applies, if allocated to a pool, must be allocated to a single asset pool.
- (2) Subsection (1) applies to qualifying expenditure incurred by a company carrying on both an NI rate activity and a main rate activity where the expenditure is incurred—
 - (a) partly for the purposes of the NI rate activity, and
 - (b) partly for the purposes of the main rate activity.
- (3) If a company is required to bring a disposal value into account in a pool for a chargeable period because the plant or machinery begins to be used for the purposes of an NI rate activity as well as for the purposes of a main rate activity, or begins to be used for the purposes of a main rate activity as well as for the purposes of an NI rate activity, an amount equal to that disposal value is allocated (as expenditure on the plant or machinery) to a single asset pool for that chargeable period.
- (4) In the case of a single asset pool under subsection (1) or (3), there is no disposal event merely because the plant or machinery begins to be used to a greater extent for the purposes of the NI rate activity or for the purposes of the main rate activity.

212ZC Allowances and charges on expenditure in single asset pool

- (1) This section applies if a company's expenditure is in a single asset pool under section 212ZB(1) or (3).
- (2) The amount of—
 - (a) any writing-down allowance or balancing allowance to which the company is entitled, or
 - (b) any balancing charge to which the company is liable,
 is to be apportioned between the NI rate activity and the main rate activity on a basis which is just and reasonable having regard to the relevant circumstances.
- (3) The relevant circumstances include, in particular, the extent to which it appears that the plant or machinery was used in the chargeable period in question for the purposes of the NI rate activity and the extent to which it was used in the chargeable period in question for the purposes of the main rate activity.

212ZD Effect of significant change in balance of use

- (1) This section applies if—
 - (a) expenditure is allocated to a single asset pool under this Chapter,
 - (b) there is such a change of circumstances as would make it appropriate for any apportionment falling to be made under section 212ZC—
 - (i) for the chargeable period in which the change takes place (“the relevant chargeable period”), or
 - (ii) for any subsequent chargeable period,
 to be substantially different from the apportionment that would have been appropriate apart from the change,
 - (c) no disposal value in respect of the plant and machinery would, apart from this section, fall to be brought into account for the relevant chargeable period, and

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, CHAPTER 16ZA. (See end of Document for details)

- (d) the market value of the plant and machinery at the end of the relevant chargeable period exceeds the available qualifying expenditure by more than £1 million.
- (2) If this section applies—
- (a) a disposal value is required to be brought into account in the single asset pool for the relevant chargeable period, and
 - (b) section 212ZA applies as if, at the beginning of the following chargeable period, expenditure has been incurred on the provision of the plant or machinery of an amount equal to the disposal value brought into account as a result of paragraph (a).

212ZE Application of Chapter to partnerships

For the purposes of the corporate partner calculation, this Chapter applies in relation to partnerships as if—

- (a) references to a company were references to a partnership,
- (b) references to [^{F2}an SME (Northern Ireland employer) company] were references to a Northern Ireland Chapter 6 firm,
- (c) references to a NIRE company were references to a Northern Ireland Chapter 7 firm, and
- (d) the reference in section 212ZA(1) to an annual investment allowance were omitted.

Textual Amendments

F2 Words in s. 212ZE(b) substituted (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 7 para. 24\(i\)](#)

212ZF “Main rate activity”

In this Chapter “main rate activity” means an activity other than an an NI rate activity.]

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, CHAPTER 16ZA.