



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 3

QUALIFYING EXPENDITURE

[^{F1}Expenditure on integral features]

Textual Amendments

- F1** Ss. 33A, 33B and cross-heading inserted (with effect in accordance with s. 73(6) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 73\(2\)](#)

[^{F1}33A Expenditure on provision or replacement of integral features

- (1) This section applies where a person carrying on a qualifying activity incurs expenditure on the provision or replacement of an integral feature of a building or structure used by the person for the purposes of the qualifying activity.
- (2) This Part (including in particular section 11(4)) applies as if—
 - (a) the expenditure were capital expenditure on the provision of plant or machinery for the purposes of the qualifying activity, and
 - (b) the person who incurred the expenditure owned plant or machinery as a result of incurring it.
- (3) If the expenditure is qualifying expenditure, it may not be deducted in calculating the income from the qualifying activity.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Cross Heading: Expenditure on integral features. (See end of Document for details)

- (4) If the expenditure is not qualifying expenditure, whether it may be so deducted is to be determined without regard to this section.
- (5) For the purposes of this section each of the following is an integral feature—
- (a) an electrical system (including a lighting system),
 - (b) a cold water system,
 - (c) a space or water heating system, a powered system of ventilation, air cooling or air purification, and any floor or ceiling comprised in such a system,
 - (d) a lift, an escalator or a moving walkway,
 - (e) external solar shading.
- (6) The items listed in subsection (5) do not include any asset whose principal purpose is to insulate or enclose the interior of a building or to provide an interior wall, floor or ceiling which (in each case) is intended to remain permanently in place.
- (7) The Treasury may by order—
- (a) provide that subsection (5) does not include a feature of a building or structure specified in the order, expenditure on which would (if not within subsection (5)) be qualifying expenditure other than special rate expenditure, and
 - (b) add to the list in subsection (5) a feature of a building or structure expenditure on the provision of which would not (apart from the order) be expenditure on the provision of plant or machinery.
- (8) An order under subsection (7) may make such incidental, supplemental, consequential and transitional provision as the Treasury thinks fit.

Modifications etc. (not altering text)

C1 S. 33A(3) excluded by 2005 c. 5, s. 55A(2) (as inserted (with effect in accordance with Sch. 4 paras. 56, 57 of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 4 para. 11\(3\)](#))

33B Meaning of “replacement” in section 33A

- (1) Expenditure to which this section applies is to be treated for the purposes of section 33A as expenditure on the replacement of an integral feature.
- (2) This section applies to expenditure incurred by a person on an integral feature if the amount of the expenditure is more than 50% of the cost of replacing the integral feature at the time the expenditure is incurred.
- (3) Subsection (4) applies where—
- (a) a person incurs expenditure (“initial expenditure”) on an integral feature which is not more than 50% of the cost of replacing the integral feature at the time it is incurred, but
 - (b) in the period of 12 months beginning with the initial expenditure being incurred the person incurs further expenditure on the integral feature.
- (4) If the aggregate of—
- (a) the amount of the initial expenditure, and
 - (b) the amount (or the aggregate of the amounts) of the further expenditure,

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is more than 50% of the cost of replacing the integral feature at the time the initial expenditure was incurred, this section applies to the initial expenditure and the further expenditure.

- (5) Where section 33A applies because of subsection (4), all such assessments and adjustments of assessments are to be made as are necessary to give effect to that section.]

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