



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### [<sup>F1</sup>PART 2A

#### STRUCTURES AND BUILDINGS ALLOWANCES

### [<sup>F1</sup>CHAPTER 1

#### INTRODUCTION

##### Textual Amendments

- F1** Pt. 2A inserted (5.7.2019) by [The Capital Allowances \(Structures and Buildings Allowances\) Regulations 2019 \(S.I. 2019/1087\)](#), regs. 1, 2

#### **270AA Structures and buildings allowances**

- (1) This Part applies if—
- (a) the construction of a building or structure begins on or after 29 October 2018,
  - (b) qualifying expenditure is incurred, on or after that date, on its construction or acquisition, and
  - (c) the first use of the building or structure, after the qualifying expenditure is incurred, is non-residential use.
- (2) A person is entitled to an allowance, in relation to a qualifying activity, for a chargeable period if—
- (a) in respect of any day during that chargeable period—
    - (i) the person has the relevant interest in the building or structure in relation to the qualifying expenditure, and
    - (ii) the building or structure is in non-residential use; and
  - (b) [<sup>F2</sup>the beginning of] that day falls—

*Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, CHAPTER 1. (See end of Document for details)*

- (i) [<sup>F3</sup>on or] after the later of the day on which the building or structure is first brought into qualifying use by the person and the day on which the qualifying expenditure is incurred (in either case, whether the day is in the same or an earlier chargeable period), and
- (ii) within [<sup>F4</sup>the period of the length specified in subsection (2A),] beginning with the later of the day on which the building or structure is first brought into non-residential use and the day on which the qualifying expenditure is incurred.
- [ The length of the period referred to in subsection (2)(b)(ii) is—
- <sup>F5</sup>(2A) (a) in the case of [<sup>F6</sup>special tax site qualifying expenditure], 10 years, and
- (b) in the case of other qualifying expenditure, 33 1/3 years.]
- (3) A building or structure which—
- (a) is not in use, but
- (b) was, immediately before it fell into disuse, in non-residential use, is treated, for the purposes of subsection (2)(a)(ii), as continuing to be in non-residential use.
- (4) A person ceases to be entitled to an allowance under this section if the building or structure is demolished.
- (5) The basic rule is that the allowance, in relation to a qualifying activity, for a chargeable period of one year is [<sup>F7</sup>—
- (a) in the case of [<sup>F6</sup>special tax site qualifying expenditure], 10% of the expenditure, and
- (b) in the case of other qualifying expenditure, 3% of the expenditure.]
- (6) In this section—
- [<sup>F8</sup>“[<sup>F6</sup>special tax site qualifying expenditure]” has the meaning given by section 270BNA;]
- “qualifying activity” has the meaning given by section 270CA;
- “qualifying expenditure” has the meaning given by section 270BA;
- “qualifying use” has the meaning given by section 270CE;
- “relevant interest” is to be construed in accordance with Chapter 4;
- “residential use” and “non-residential use” have the meaning given by section 270CF.
- (7) This section is subject to the following provisions of this Part.

#### Textual Amendments

- F2** Words in s. 270AA(2)(b) inserted (1.4.2020 for corporation tax purposes and 6.4.2020 for income tax purposes) by [Finance Act 2020 \(c. 14\), s. 29\(2\)\(a\)\(6\)](#) (with s. 29(7))
- F3** Words in s. 270AA(2)(b)(i) inserted (retrospectively) by [Finance Act 2020 \(c. 14\), Sch. 5 paras. 4, 10](#)
- F4** Words in s. 270AA(2)(b)(ii) substituted (10.6.2021) by [Finance Act 2021 \(c. 26\), Sch. 22 para. 7\(2\)](#)
- F5** S. 270AA(2A) inserted (10.6.2021) by [Finance Act 2021 \(c. 26\), Sch. 22 para. 7\(3\)](#)
- F6** Words in s. 270AA substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), Sch. 23 para. 13\(a\)](#)
- F7** Words in s. 270AA(5) substituted (10.6.2021) by [Finance Act 2021 \(c. 26\), Sch. 22 para. 7\(4\)](#)
- F8** Words in s. 270AA(6) inserted (10.6.2021) by [Finance Act 2021 \(c. 26\), Sch. 22 para. 7\(5\)](#)

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*Changes to legislation:* There are currently no known outstanding effects for the Capital Allowances Act 2001, CHAPTER 1. (See end of Document for details)

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## **270AB Date on which construction begins**

For the purposes of section 270AA(1)(a), the construction of a building or structure is treated as beginning before 29 October 2018 if any contract for works to be carried out in the course of the construction of that particular building or structure (whether or not the contract also relates to the construction of other buildings or structures) is entered into before that date.]

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001,  
CHAPTER 1.