



Capital Allowances Act 2001

2001 CHAPTER 2

[^{F1}PART 2A

STRUCTURES AND BUILDINGS ALLOWANCES

CHAPTER 2

QUALIFYING EXPENDITURE

[^{F1}Qualifying expenditure incurred on purchase

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

270BC Sale of unused buildings or structures (other than by a developer)

- (1) This section applies if—
- capital expenditure is incurred on the construction of a building or structure,
 - the relevant interest in the building or structure is sold before the building or structure is first used,
 - a capital sum is paid by the purchaser for the relevant interest, and
 - section 270BD (sale by a developer: unused buildings or structures) does not apply.
- (2) The lesser of—
- the capital sum paid by the purchaser for the relevant interest, and
 - the capital expenditure incurred on the construction,
- is qualifying capital expenditure.

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

- (3) Where this section applies, the qualifying expenditure is to be treated as incurred by the purchaser when the capital sum is paid.
- (4) If the relevant interest is sold more than once before the building or structure is first used, subsection (2) has effect only in relation to the last of those sales.

270BD Sale by a developer: unused buildings or structures

- (1) This section applies if—
 - (a) expenditure is incurred by a developer on the construction of a building or structure, and
 - (b) the relevant interest in the building or structure is sold by the developer in the course of the development trade before the building or structure is first used.
- (2) If—
 - (a) the sale of the relevant interest by the developer was the only sale of that interest before the building or structure is first used, and
 - (b) a capital sum is paid by the purchaser for the relevant interest, the capital sum is qualifying capital expenditure.
- (3) If—
 - (a) the sale by the developer was not the only sale before the building or structure is first used, and
 - (b) a capital sum is paid by the purchaser for the relevant interest on the last sale before the building or structure is first used, the lesser of that capital sum and the sum paid for the relevant interest on its sale by the developer is qualifying capital expenditure.
- (4) Where this section applies, the qualifying expenditure is to be treated as incurred by the purchaser when the capital sum referred to in subsection (2)(b) or (3)(b) is paid.

270BE Sale by a developer: used buildings or structures

- (1) This section applies if—
 - (a) expenditure is incurred by a developer on the construction of a building or structure, and
 - (b) the relevant interest is sold by the developer in the course of the development trade after the building or structure has been used.
- (2) This Part has effect in relation to the person to whom the relevant interest is sold (and any person who subsequently acquires the relevant interest) as if the expenditure on the construction of the building or structure had been qualifying capital expenditure.

270BF Meaning of references to carrying on trade as a developer

For the purposes of sections 270BD, 270BE and 270BJ—

- (a) a developer is a person who carries on a trade which consists in whole or part in the construction of buildings or structures with a view to their sale, and
- (b) an interest in a building or structure is sold by the developer in the course of the development trade if the developer sells it in the course of the trade or

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(as the case may be) that part of the trade that consists in the construction of buildings or structures with a view to their sale.]

Changes to legislation:

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