



Capital Allowances Act 2001

2001 CHAPTER 2

[^{F1}PART 2A

STRUCTURES AND BUILDINGS ALLOWANCES

[^{F1}CHAPTER 7

ADDITIONAL VAT LIABILITIES AND REBATES

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

Introduction

270GA Introduction

For the purposes of this Chapter—

- (a) “additional VAT liability” and “additional VAT rebate” have the meaning given by section 547,
- (b) the time when—
 - (i) a person incurs an additional VAT liability, or
 - (ii) an additional VAT rebate is made to a person,is given by section 548, and
- (c) the chargeable period in which, and the time when, an additional VAT liability or an additional VAT rebate accrues are given by section 549.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, CHAPTER 7. (See end of Document for details)

Additional VAT liabilities

270GB Additional VAT liabilities

- (1) This section applies if—
 - (a) a person is entitled to an allowance under this Part by reference to qualifying expenditure incurred by that person, and
 - (b) the person incurs an additional VAT liability in respect of the qualifying expenditure.
- (2) Subsection (3) applies for the purposes of calculating an allowance under this Part to which the person mentioned in subsection (1) is entitled—
 - (a) for the chargeable period in which the additional VAT liability accrues, and
 - (b) for any subsequent chargeable period.
- (3) The amount of qualifying expenditure is treated as being increased, at the beginning of the chargeable period in which the additional VAT liability accrues, by the amount of the liability.
- (4) If, immediately before the end of the period mentioned in section 270AA(2)(b) (the “allowance period”), the person who is entitled to an allowance under this Part by reference to qualifying expenditure is the person who incurred that expenditure, that person is entitled to an additional amount of allowance for the chargeable period in which the allowance period ends.
- (5) The additional amount of allowance is the amount of the difference between—
 - (a) the amount of the additional VAT liability, and
 - (b) the total amount of the allowance to which the person has been entitled during the allowance period in respect of the additional VAT liability.
- (6) But if an additional VAT rebate is made to the person in respect of the qualifying expenditure by reference to which this section applies, subsection (5) is subject to section 270GC(4) (limit on total allowance).

Additional VAT rebates

270GC Additional VAT rebates

- (1) This section applies if—
 - (a) a person is entitled to an allowance under this Part by reference to qualifying expenditure incurred by that person, and
 - (b) an additional VAT rebate in respect of the qualifying expenditure is made to the person.
- (2) Subsection (3) applies for the purposes of calculating an allowance under this Part to which the person mentioned in subsection (1) is entitled for—
 - (a) the chargeable period in which the additional VAT rebate accrues, and
 - (b) any subsequent chargeable period.
- (3) The amount of qualifying expenditure is treated as being reduced, at the beginning of the chargeable period in which the additional VAT rebate accrues, by the amount of the rebate.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, CHAPTER 7. (See end of Document for details)

- (4) The total amount of the allowance available under this Part by reference to the qualifying expenditure incurred by the person mentioned in subsection (1) is limited to—
- (a) the amount of qualifying expenditure (including the amount of any additional VAT liability which is treated as qualifying expenditure under section 270GB), less
 - (b) the amount of any additional VAT rebate by reference to which this section applies,
- (and sections 270AA(2)(b)(ii) and 270GB(5) are subject to this subsection).]

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001,
CHAPTER 7.