



Capital Allowances Act 2001

2001 CHAPTER 2

[^{F1}PART 4

AGRICULTURAL BUILDINGS ALLOWANCES

[^{F1}CHAPTER 6

SUPPLEMENTARY PROVISIONS

Textual Amendments

- F1** Pt. 4 omitted (with effect in relation to chargeable periods beginning on or after 1.4.2011 for corporation tax purposes and 6.4.2011 for income tax purposes in accordance with ss. 84(1)(3)(4), 85 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 84\(2\)](#) (with [Sch. 27](#))

Giving effect to allowances and charges

391 Trades

An allowance or charge to which a person is entitled or liable under this Part is to be given effect in calculating the profits of that person's trade, by treating—

- (a) the allowance as an expense of the trade, and
- (b) the charge as a receipt of the trade.

392 [^{F2}UK property businesses]

- (1) This section applies if a person who is entitled or liable to an allowance or charge for a chargeable period was not carrying on a trade in that period.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Chapter 6. (See end of Document for details)

- (2) If the person was carrying on [^{F3}a UK property business ^{F4} ...] at any time in that period, the allowance or charge is to be given effect in calculating the profits of that business, by treating—
- (a) the allowance as an expense of that business, and
 - (b) the charge as a receipt of that business.
- [^{F5}(2A) If the person^{F6} ... was not carrying on a UK property business at any time in that period, the allowance or charge is to be given effect by [^{F7}treating the person as having carried on] such a business in that period and as if—
- (a) the allowance were an expense of that business, and
 - (b) the charge were a receipt of that business.]
- ^{F8}(3)

Textual Amendments

- F2** S. 392 heading substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 504\(5\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F3** Words in s. 392(2) substituted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 558\(2\)](#) (with [Sch. 2](#))
- F4** Words in s. 392(2) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 504\(2\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F5** S. 392(2A) inserted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 558\(3\)](#) (with [Sch. 2](#))
- F6** Words in s. 392(2A) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 504\(3\)\(a\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F7** Words in s. 392(2A) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 504\(3\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F8** S. 392(3) repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 504\(4\), Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Meaning of “freehold interest”, “lease” etc.

393 Meaning of “freehold interest”, “lease”, etc.

- (1) In this Part “freehold interest in land” means—
- (a) the fee simple estate in the land, or
 - (b) in relation to Scotland, the interest of the owner.
- (2) In this Part “freehold interest in land” also includes—
- (a) an agreement to acquire the fee simple estate in the land, or
 - (b) in relation to Scotland, an agreement to acquire the interest of the owner.
- (3) In this Part “lease” includes—
- (a) an agreement for a lease if the term to be covered by the lease has begun, and
 - (b) any tenancy,
- but does not include a mortgage (and “lessee”, “lessor” and “leasehold interest” are to be read accordingly).
- (4) In the application of this Part to Scotland—

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Chapter 6. (See end of Document for details)

- (a) “leasehold interest” means the interest of a tenant in property subject to a lease, and
- (b) any reference to an interest which is reversionary on a leasehold interest or on a lease is to be read as a reference to the interest of the landlord in the property subject to the leasehold interest or lease.]

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Chapter 6.