



Capital Allowances Act 2001

2001 CHAPTER 2

PART 5

MINERAL EXTRACTION ALLOWANCES

CHAPTER 7

SUPPLEMENTARY PROVISIONS

432 Giving effect to allowances and charges

[^{F1}(1)] 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 mineral extraction trade, by treating—

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

[^{F2}(2) This section is subject to section 6E (giving effect to allowances and charges: NI rate activity cases).]

Textual Amendments

- F1** S. 432 renumbered as s. 432(1) (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\), Sch. 1 para. 13\(2\)](#)
- F2** S. 432(2) inserted (with effect in accordance with s. 5 of the amending Act) by [Corporation Tax \(Northern Ireland\) Act 2015 \(c. 21\), Sch. 1 para. 13\(3\)](#)

433 Treatment of demolition costs

- (1) The net cost to a person of demolishing an asset which represents qualifying expenditure is added to that qualifying expenditure in determining the amount of

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any balancing allowance or balancing charge for the chargeable period in which the demolition occurs.

- (2) “The net cost of the demolition” means the amount, if any, by which the cost of the demolition exceeds any money received for the remains of the asset.
- (3) If this section applies, the net cost of the demolition is not treated as expenditure incurred on any other asset which replaces the demolished asset.

434 Time when expenditure incurred

- (1) For the purposes of this Part, expenditure incurred for the purposes of a mineral extraction trade by a person about to carry it on is treated as incurred by that person on the first day on which that person does carry it on.
- (2) Subsection (1) does not apply to pre-trading expenditure on mineral exploration and access (for which specific provision is made by section 400(4)).

435 Shares in assets

- (1) This Part applies in relation to a share in an asset as it applies (under section 571) in relation to a part of an asset.
- (2) For the purposes of those provisions, a share in an asset is treated as used for the purposes of a trade so long as, and only so long as, the asset is used for the purposes of the trade.

436 Meaning of “development” etc.

- (1) In this Part—
 - “development”
 - “development order”,
 - “general development order”, and
 - “planning permission”,
 have the meaning given by the relevant planning enactment.
- (2) “The relevant planning enactment” means—
 - (a) in relation to land in England or Wales, section 336(1) of the Town and Country Planning Act 1990 (c. 8);
 - (b) in relation to land in Scotland, section 277(1) of the Town and Country Planning (Scotland) Act 1997 (c. 8);
 - (c) in relation to land in Northern Ireland, [^{F3}section 250(1) of the Planning Act (Northern Ireland) 2011].

Textual Amendments

- F3** Words in s. 436(2)(c) substituted (N.I.) (13.2.2015 for specified purposes, 1.4.2015 in so far as not already in force) by [Planning Act \(Northern Ireland\) 2011 \(c. 25\)](#), s. 254(1)(2), [Sch. 6 para. 93](#) (with s. 211); [S.R. 2015/49](#), art. 2

Changes to legislation:

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