

## SCHEDULES

### SCHEDULE 2

#### CONSEQUENTIAL AMENDMENTS

##### *The Taxation of Chargeable Gains Act 1992 (c. 12)*

###### *Section 195 (allowance of certain drilling expenditure)*

- 79 (1) In subsection (2), for paragraphs (b) and (c) substitute—
- “(b) either it is expenditure in respect of which the person was entitled to an allowance under section 441 of the Capital Allowances Act (research and development allowances) for a relevant chargeable period which began before the date of the disposal or it would have been such expenditure if the trading condition had been fulfilled, and
  - (c) on the disposal, section 443 of that Act (disposal values) applies in relation to the expenditure or would apply if the trading condition had been fulfilled (and the expenditure had accordingly been qualifying expenditure under Part 6 of that Act).”
- (2) In subsection (3)—
- (a) for “section 137 of the 1990 Act” substitute “ section 441 of the Capital Allowances Act ”, and
  - (b) omit the definition of “basis year” and the word “and” before it.
- (3) In subsection (4), for “trading receipt” substitute “ disposal value ” and for paragraphs (a) and (b) substitute—
- “(a) is required to be brought into account under section 443 of the Capital Allowances Act; or
  - (b) would be required to be so brought into account if the trading condition had been fulfilled (and the expenditure had accordingly been qualifying expenditure under Part 6 of that Act).”
- (4) Omit subsection (5).
- (5) In subsection (6)—
- (a) for “which had not in fact been allowed or become allowable” substitute “ in respect of which the person had not in fact been entitled to an allowance ”,
  - (b) for “section 137 of the 1990 Act” substitute “ section 441 of the Capital Allowances Act ”, and
  - (c) omit paragraph (b) and the word “and” before it.
- (6) In subsection (8), for “Part VII of the Capital Allowances Act 1990 (allowances for research and development expenditure)” substitute “ Part 6 of the Capital Allowances Act (research and development allowances) ”.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Paragraph 79.