
Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Paragraph 100. (See end of Document for details)

SCHEDULES

SCHEDULE 3

TRANSITIONALS AND SAVINGS

PART 9

PATENT ALLOWANCES

Expenditure incurred before 1st April 1986

Balancing charges

- 100 (1) A balancing charge is made on a person for a chargeable period in respect of qualifying expenditure if in that period—
- (a) the person sells some or all of the patent rights, and
 - (b) the net proceeds of sale (so far as they consist of capital sums) from the sales in that period exceed any unrelieved qualifying expenditure for that period.

The charge is calculated in accordance with sub-paragraphs (2) to (5).

- (2) If there is no unrelieved qualifying expenditure, the amount of the balancing charge is equal to the net proceeds of sale (so far as they consist of capital sums).

This is subject to sub-paragraphs (4) and (5).

- (3) If there is some unrelieved qualifying expenditure, the amount of the balancing charge is equal to the amount by which the net proceeds of sale (so far as they consist of capital sums) exceed the unrelieved qualifying expenditure.

This is subject to sub-paragraphs (4) and (5).

- (4) The total amount of the first balancing charge must not exceed the total writing-down allowances actually given in respect of the expenditure.

- (5) The total amount on which a second or further balancing charge is made must not exceed the total writing-down allowances actually made in respect of the expenditure, less the amount of any earlier charge.

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Paragraph 100.