

SCHEDULES

SCHEDULE 3

TRANSITIONALS AND SAVINGS

PART 9

PATENT ALLOWANCES

Expenditure incurred before 1st April 1986

Entitlement to writing-down allowances

- 94 (1) A writing-down allowance is made for a chargeable period in respect of an item of qualifying expenditure if—
- (a) the chargeable period falls wholly or partly within the writing-down period for that expenditure (as determined in accordance with paragraph 95),
 - (b) paragraph 97 does not prohibit writing-down allowances for that period, and
 - (c) either—
 - (i) the trade use condition is met for that period, or
 - (ii) any income receivable by that person in respect of the patent rights in that period would be liable to tax.
- (2) The trade use condition is that—
- (a) the person is carrying on in the chargeable period a trade which is within the charge to tax, and
 - (b) at any time in the chargeable period the patent rights, or other rights out of which they were granted, were, or were to be, used for the purposes of the trade.
- (3) The total writing-down allowances made in respect of an item of qualifying expenditure (whether to the same or to different persons) must not exceed the amount of that expenditure.

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Paragraph 94.