



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

#### CHAPTER 11

#### OVERSEAS LEASING

#### *Basic terms*

#### **106 The designated period**

- (1) Subject to subsection (2), the designated period, in relation to expenditure incurred by a person on the provision of plant or machinery, is the period of 10 years beginning with the date on which he first brought the plant or machinery into use.
- (2) If the person who incurred the expenditure ceases to own the plant or machinery before the end of the 10 year period, the designated period ends on the date when he ceases to own it.
- (3) For the purposes of subsection (2), a person is to be treated as continuing to own plant or machinery so long as it is owned by a person who—
  - (a) is connected with him, or
  - (b) acquired it from him as a result of one or more disposals on the occasion of which, or [<sup>F1</sup>each of which there was a change in the persons carrying on the qualifying activity in relation to which Condition A or Condition B was met.]

[<sup>F2</sup>(3A) Condition A is that—

- (a) at least one person who carried on the qualifying activity immediately before or immediately after the change was within the charge to income tax in respect of that activity, and

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*Changes to legislation: There are currently no known outstanding effects for the  
 Capital Allowances Act 2001, Section 106. (See end of Document for details)*

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- (b) at least one person who carried on the qualifying activity before the change continued to carry it on after the change.

(3B) Condition B is that—

- (a) the qualifying activity was carried on in partnership both immediately before and immediately after the change,
- (b) a company that was within the charge to corporation tax in respect of the activity carried it on immediately before or immediately after the change, and
- (c) at least one company which carried the activity on before the change continued to carry it on after the change.]

<sup>F3</sup>(4) .....

#### **Textual Amendments**

- F1** Words in s. 106(3)(b) 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. 484(2)** (with [Sch. 2 Pts. 1, 2](#))
- F2** S. 106(3A)(3B) inserted (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. 484(3)** (with [Sch. 2 Pts. 1, 2](#))
- F3** S. 106(4) repealed (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. 536(3), **3** (with [Sch. 2](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 106.