



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 1

INTRODUCTION

13 Use for qualifying activity of plant or machinery provided for other purposes

- (1) This section applies if a person—
 - (a) brings plant or machinery into use for the purposes of a qualifying activity carried on by him, and
 - (b) on the date when he does so, owns the plant or machinery as a result of having incurred capital expenditure (“actual expenditure”) on its provision for purposes other than those of that qualifying activity.
- (2) The person is to be treated—
 - (a) as having incurred capital expenditure (“notional expenditure”) on the provision of the plant or machinery for the purposes of the qualifying activity on the date on which it is brought into use for those purposes, and
 - (b) as owning the plant or machinery as a result as having incurred that expenditure.
- (3) Subject to subsection (4), the amount of the notional expenditure is the market value of the plant or machinery on the date when it is brought into use for the purposes of the qualifying activity.
- (4) If the market value is greater than the actual expenditure, the amount of the notional expenditure is the amount of the actual expenditure, less any amount required to be deducted under subsection (5).

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 13. (See end of Document for details)

- (5) The amount to be deducted is any amount that under section 218^{F1}... would have been left out of account in determining the person's available qualifying expenditure if the actual expenditure had been incurred on the provision of the plant or machinery for the purposes of the qualifying activity.
- (6) The question whether the provision of the plant or machinery is to be treated as wholly or only partly for the purposes of the qualifying activity is to be determined according to whether the use referred to in subsection (1)(a) is wholly or only partly for those purposes.
- (7) This section is subject to section 161 (pre-trading expenditure on mineral exploration and access).

Textual Amendments

- F1** Words in s. 13(5) omitted (with effect in accordance with Sch. 20 para. 6(19) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 20 para. 6(2)**

Modifications etc. (not altering text)

- C1** S. 13 applied (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), **ss. 827**, (with s. 828(2), Sch. 2)
- C2** S. 13 applied (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), **ss. 126(2)**, 1184(1) (with Sch. 2)
- C3** S. 13 modified by 2005 c. 5, s. 825C (as substituted (with effect in accordance with s. 3(4) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **s. 3(3)** (with s. 3(5)))
- C4** S. 13 modified by 2009 c. 4, s. 18C(2) (as inserted (19.7.2011) by [Finance Act 2011 \(c. 11\)](#), **Sch. 13 paras. 4, 31**)

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 13.