



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 1

INTRODUCTION

[^{F1}13B Use for other purposes of plant or machinery: property businesses

- (1) This section applies if a person who has been using plant or machinery for the purposes of a relevant qualifying activity—
 - (a) ceases to use the plant or machinery for that purpose without ceasing to use it for the purposes of another relevant qualifying activity (“the other activity”) carried on by the person, and
 - (b) on the date of the cessation, owns the plant or machinery as a result of having incurred capital expenditure on its provision for the purposes of the other 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 other activity on the day after the cessation,
 - (b) as owning the plant or machinery as a result of having incurred that expenditure, and
 - (c) as if the plant or machinery on or after that day were different plant or machinery from the plant or machinery before that day.
- (3) Subject to subsection (4), the amount of the notional expenditure is the market value of the plant or machinery on the date of cessation.

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

- (4) If the market value is greater than the actual expenditure, the amount of the notional expenditure is the amount of the actual expenditure.
- (5) “Relevant qualifying activity” means—
- (a) ordinary UK property business or UK furnished holiday lettings business, or
 - (b) ordinary overseas property business or EEA furnished holiday lettings business,
- (as the case may be).]

Textual Amendments

- F1** S. 13B inserted (with effect in accordance with Sch. 14 para. 13 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 14 para. 12\(2\)](#)

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