



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 14

FIXTURES

Disposal values

197 Disposal values in avoidance cases

- (1) This section applies if—
- a person (“the taxpayer”) is treated under this Chapter as the owner of any plant or machinery as a result of incurring any expenditure,
 - any disposal event occurs in relation to the plant or machinery,
 - the disposal value to be brought into account by the taxpayer would (but for this section) be less than the notional written-down value of the plant or machinery, and
 - the disposal event is part of, or occurs as a result of, a scheme or arrangement the main purpose or one of the main purposes of which is the obtaining by the taxpayer of a tax advantage under this Part.
- (2) The disposal value that the taxpayer must bring into account is the notional written-down value of the plant or machinery.
- (3) The notional written-down value is—

QE – A

where—

Changes to legislation: There are currently no known outstanding effects for the
Capital Allowances Act 2001, Section 197. (See end of Document for details)

QE is the taxpayer's expenditure on the plant or machinery that is qualifying expenditure,

A is the total of all allowances which could have been made to the taxpayer in respect of that expenditure if—

- (a) that expenditure had been the only expenditure that had ever been taken into account in determining his available qualifying expenditure, and
- (b) all allowances had been made in full.

Modifications etc. (not altering text)

C6 Pt. 2 modified (22.7.2008) by [Crossrail Act 2008 \(c. 18\)](#), [Sch. 13 para. 19](#)

C7 Pt. 2 modified (22.7.2008) by [Crossrail Act 2008 \(c. 18\)](#), [Sch. 13 para. 35](#)

C8 Pt. 2 modified (22.7.2008) by [Crossrail Act 2008 \(c. 18\)](#), [Sch. 13 paras. 36, 37](#)

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 197.