



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

#### CHAPTER 14

#### FIXTURES

#### *Election to fix apportionment*

#### **199 Election to apportion capital sum given by lessee on grant of lease**

- (1) This section applies if the disposal value of a fixture is required to be brought into account in accordance with item 5 of the Table in section 196 (on acquisition of ownership by incoming lessee under section 183).
- (2) The persons who are the lessor and the lessee for the purposes of section 183 may jointly, by an election, fix the amount that is to be treated—
  - (a) for the purposes of item 5 of the Table, and
  - (b) for the other purposes of this Part,as the part of the capital sum that is expenditure incurred by the lessee on the provision of the fixture.
- (3) The amount fixed by the election must not exceed—
  - (a) the amount of the capital expenditure which was treated as incurred by the lessor on the provision of the fixture or of the plant or machinery which became the fixture, or
  - (b) the actual capital sum.
- (4) If an election fixes the amount to be treated as the part of the capital sum—

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**Changes to legislation:** There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 199. (See end of Document for details)

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- (a) the remaining amount (if any) of the capital sum is to be treated for the purposes of this Act as expenditure attributable to the acquisition of the property which is not the fixture but is acquired for that amount, and
  - (b) if there is no remaining amount, the expenditure so attributable is to be treated for the purposes of this Act as nil.
- (5) This section is subject to—
- [<sup>F1</sup>(a) sections 186, 186A and 187 (fixtures on which industrial buildings allowance, business premises renovation allowance or research and development allowance has been made),]
  - (b) section 197 (disposal values in avoidance cases), and
  - (c) sections 200 and 201 (further provisions about elections).

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**Textual Amendments**

- F1** S. 199(5)(a) substituted (with effect in accordance with Sch. 10 para. 12 of the amending Act) by Finance Act 2012 (c. 14), **Sch. 10 para. 10**

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 199.