



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 17

[^{F1}OTHER ANTI-AVOIDANCE]

[^{F1}Disposal of plant or machinery subject to lease where income retained]

[^{F1}228M] Rental rebate

- (1) For the purposes of section 228MA “rental rebate” means any sum payable to the lessee that is calculated by reference to the termination value of the asset.
- (2) The general rule is that the termination value of an asset is the value of the asset at or about the time when the lease terminates.
- (3) Calculation by reference to the termination value includes calculation by reference to any one or more of—
 - (a) the proceeds of sale, if the asset is sold,
 - (b) any insurance proceeds, compensation or similar sums in respect of the asset, and
 - (c) an estimate of the market value of the asset.
- (4) Calculation by reference to the termination value also includes—
 - (a) determination in a way which, or by reference to factors or criteria which, might reasonably be expected to produce a broadly similar result to calculation by reference to the termination value, or
 - (b) any other form of calculation indirectly by reference to the termination value.]

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 228MC. (See end of Document for details)

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Textual Amendments

- F1** Ss. 228MA-228MC inserted (8.4.2010) (with effect in accordance with Sch. 5 para. 1(2) to the amending Act) by [Finance Act 2010 \(c. 13\)](#), **Sch. 5 para. 1(1)**

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 228MC.