



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 2

#### PLANT AND MACHINERY ALLOWANCES

#### CHAPTER 18

#### ADDITIONAL VAT LIABILITIES AND REBATES

##### *Additional VAT rebate*

### **238 Additional VAT rebate generates disposal value**

- (1) This section applies if—
  - (a) a person has incurred qualifying expenditure (“the original expenditure”),
  - (b) an additional VAT rebate is made to the person in respect of the original expenditure, and
  - (c) the person owns the plant or machinery on which the original expenditure was incurred at any time in the chargeable period in which the rebate is made.
- (2) If (apart from this section) there would not be a disposal value to be brought into account in respect of the plant or machinery for the chargeable period in which the rebate accrues, the amount of the rebate must be brought into account as a disposal value for that chargeable period.
- (3) If (apart from this section) there would be a disposal value to be brought into account in respect of the plant or machinery for the chargeable period in which the rebate accrues, the amount of the rebate must be brought into account as an addition to that disposal value.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 238.