



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 18

ADDITIONAL VAT LIABILITIES AND REBATES

Short-life assets: balancing allowance

240 Additional VAT liability

- (1) This section applies if a person—
 - (a) was entitled to a balancing allowance for the final chargeable period for a short-life asset pool for a qualifying activity,
 - (b) has incurred, after the end of that period, an additional VAT liability in respect of the original expenditure on the provision of the short-life asset, and
 - (c) has not brought the liability into account in determining the amount of the balancing allowance.
- (2) The person is entitled to a further balancing allowance, of an amount equal to the additional VAT liability, for the chargeable period of the qualifying activity in which the additional VAT liability accrues.

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 240.