



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 18

ADDITIONAL VAT LIABILITIES AND REBATES

Anti-avoidance

241 No [^{F1}annual investment allowance or] first-year allowance in respect of additional VAT liability

- (1) This section applies if—
 - (a) one person (“B”) enters into a transaction with another person (“S”) which is a relevant transaction for the purposes of Chapter 17 (anti-avoidance), and
 - (b) [^{F2}an annual investment allowance or] a first-year allowance in respect of B’s expenditure under the relevant transaction is prohibited by section 217(1)^{F3}....
- (2) [^{F4}No annual investment allowance or first-year allowance is] to be made in respect of any additional VAT liability incurred by B in respect of his expenditure under the relevant transaction.
- (3) Any [^{F5}annual investment allowance or] first-year allowance which is prohibited by subsection (2), but which has already been made, is to be withdrawn.

Textual Amendments

- F1** Words in s. 241 heading inserted (with effect in accordance with Sch. 24 para. 23 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 24 para. 12\(5\)](#)
- F2** Words in s. 241(1)(b) inserted (with effect in accordance with Sch. 24 para. 23 of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 24 para. 12\(2\)](#)

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 241. (See end of Document for details)

- F3** Words in s. 241(1)(b) omitted (with effect in accordance with Sch. 20 para. 6(19) of the amending Act) by virtue of Finance Act 2008 (c. 9), **Sch. 20 para. 6(16)**
- F4** Words in s. 241(2) substituted (with effect in accordance with Sch. 24 para. 23 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 24 para. 12(3)**
- F5** Words in s. 241(3) inserted (with effect in accordance with Sch. 24 para. 23 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 24 para. 12(4)**

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 241.