



Capital Allowances Act 2001

2001 CHAPTER 2

[^{F1}PART 2A

STRUCTURES AND BUILDINGS ALLOWANCES

CHAPTER 9

SUPPLEMENTARY PROVISIONS

Co-ownership authorised contractual schemes

[^{F1}270IE Co-ownership schemes: calculation of allowance after an election

- (1) This section applies if—
 - (a) an election under section 270ID, or
 - (b) an election under section 262AB (plant and machinery allowances: co-ownership schemes) made on or after the relevant date,has effect for an accounting period of a co-ownership authorised contractual scheme (“the relevant period”).
- (2) The operator of the scheme is to calculate the allowances that would be available to the scheme under this Part in relation to the relevant period on the basis of the assumptions in subsection (3).
- (3) The assumptions are—
 - (a) the scheme is a person;
 - (b) the relevant period is a chargeable period for the purposes of this Act;
 - (c) any qualifying activity carried on by the participants in the scheme together is carried on by the scheme;
 - (d) property which was subject to the scheme at the beginning of the first accounting period for which the election has effect—
 - (i) ceased to be owned by the participants at that time, and

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- (ii) was acquired by the scheme at that time;
 - (e) any property which became subject to the scheme at a time during an accounting period for which the election has effect was acquired by the scheme at that time;
 - (f) property which ceased to be subject to the scheme at any such time ceased to be owned by the scheme at that time.
- (4) The operator of the co-ownership authorised contractual scheme must allocate to each participant in the scheme a proportion (which may be zero) of the allowances calculated under this section.
- (5) The allocation is to be on the basis of what is just and reasonable.
- (6) In determining what is just and reasonable—
- (a) regard is to be had in particular to the relative size of each participant’s holding of units in the scheme;
 - (b) no regard is to be had to—
 - (i) whether or to what extent a participant is liable to income tax or corporation tax, or
 - (ii) any other circumstances relating to a participant’s liability to tax.
- (7) If the participants in the scheme together carry on more than one qualifying activity, the calculation and allocation under this section are to be made separately for each activity.
- (8) The proportion of an allowance allocated by the operator to a participant under this section for a qualifying activity is the total amount of the allowance available to the participant under this Part in relation to the relevant period by virtue of carrying on that activity as a participant in the scheme.
- (9) For the purposes of subsection (3)(c), assume that profits or gains arising to all participants from the qualifying activity are, or (if there were any) would be, chargeable to tax.
- (10) For the purposes of section 270IA (evidence of qualifying expenditure etc), the operator of a co-ownership scheme may be treated as—
- (a) the “current owner” in relation to property which is subject to the scheme, or
 - (b) the “previous owner” in relation to property which has ceased to be subject to the scheme.]

Textual Amendments

F1 Pt. 2A inserted (5.7.2019) by [The Capital Allowances \(Structures and Buildings Allowances\) Regulations 2019 \(S.I. 2019/1087\)](#), regs. 1, 2

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