



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 5

#### MINERAL EXTRACTION ALLOWANCES

### CHAPTER 6

#### ALLOWANCES AND CHARGES

##### *Writing-down and balancing allowances and balancing charges*

#### **417 Determination of entitlement or liability**

- (1) Whether a person who has incurred qualifying expenditure is entitled to a writing-down allowance or a balancing allowance, or liable to a balancing charge, for a chargeable period depends on—
  - (a) how much of the expenditure is unrelieved qualifying expenditure for that period (“UQE”), and
  - (b) the total of any disposal receipts to be brought into account for that period (“TDR”) by reference to the expenditure.
- (2) If UQE exceeds TDR, the person is entitled to a writing-down allowance or a balancing allowance for the period.
- (3) If TDR exceeds UQE, the person is liable to a balancing charge for the period.
- (4) The entitlement under subsection (2) is to a writing-down allowance except in cases for which sections 426 to 431 provide for the entitlement to be to a balancing allowance.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 417.