



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 4

FIRST-YEAR QUALIFYING EXPENDITURE

Types of expenditure which may qualify for first-year allowances

46 General exclusions^{F1}...

(1) Expenditure within any of the general exclusions in subsection (2) is not first-year qualifying expenditure under [^{F2}any of the following provisions]—

^{F3}

^{F4}

^{F3}

^{F5}

[^{F6} section 45D (expenditure on cars with low CO₂ emissions),]

[^{F7} section 45DA (expenditure on zero-emission goods vehicles),]

[^{F8} section 45E (expenditure on plant or machinery for gas refuelling station)],

^{F9} ...

[^{F10} section 45EA (expenditure on plant or machinery for electric vehicle charging point)]

[^{F11} section 45F (expenditure on plant and machinery for use wholly in a ring fence trade)]

^{F5}

[^{F12} section 45K (expenditure on plant and machinery for use in designated assisted areas).]

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 46. (See end of Document for details)

[^{F13}section 45O (expenditure on plant and machinery for use in [^{F14}special tax sites]).]

(2) The general exclusions are—

General exclusion 1

The expenditure is incurred in the chargeable period in which the qualifying activity is permanently discontinued.

General exclusion 2

The expenditure is incurred on the provision of a car (as defined by section [^{F15}268A]).

^{F16} ...

^{F17} ...

General exclusion 5

The expenditure would be long-life asset expenditure but for paragraph 20 of Schedule 3 (transitional provisions).

General exclusion 6

The expenditure is on the provision of plant or machinery for leasing (whether in the course of a trade or otherwise).

For this purpose, the letting of a ship on charter, or of any other asset on hire, is to be regarded as leasing (whether or not it would otherwise be so regarded).

General exclusion 7

The circumstances of the incurring of the expenditure are that—

- (a) the provision of the plant or machinery on which the expenditure is incurred is connected with a change in the nature or conduct of a trade or business carried on by a person other than the person incurring the expenditure, and
- (b) the obtaining of a first-year allowance is the main benefit, or one of the main benefits, which could reasonably be expected to arise from the making of the change.

General exclusion 8

[^{F18}Any] of the following sections applies—

section 13 (use for qualifying activity of plant or machinery provided for other purposes);

[^{F19}section 13A (use for other purposes of plant or machinery provided for long funding leasing);]

section 14 (use for qualifying activity of plant or machinery which is a gift).

This is subject to section 161 (pre-trading expenditure on mineral exploration and access).

[^{F20}(3) Subsection (1) is subject to the following provisions of this section.

(4) General exclusion 2 does not prevent expenditure being first-year qualifying expenditure under section 45D.]

^{F21}(5)

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 46. (See end of Document for details)

F21(6)

Textual Amendments

- F1** Words in s. 46 heading omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 76\(5\)\(b\)\(ii\)](#) (with [s. 76\(7\)\(8\)](#))
- F2** Words in s. 46(1) inserted (with effect in accordance with s. 167 of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 30 para. 4\(1\)\(a\)](#)
- F3** S. 46(1) entries omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 76\(5\)\(b\)\(i\)](#) (with [s. 76\(7\)\(8\)](#))
- F4** S. 46(1) entry omitted (with effect in accordance with s. 75(5)-(8) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 75\(3\)\(b\)](#)
- F5** Words in s. 46(1) omitted (with effect in accordance with s. 33(5) of the amending Act) by virtue of [Finance Act 2019 \(c. 1\)](#), [s. 33\(2\)\(b\)\(iv\)\(a\)](#)
- F6** Entry in s. 46(1) relating to s. 45D inserted (with effect as mentioned in [s. 59](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [s. 59](#), [Sch. 19 para. 4\(2\)](#)
- F7** Words in s. 46(1) inserted (with effect in accordance with Sch. 7 para. 7 of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [Sch. 7 para. 4](#)
- F8** Entry in s. 46(1) relating to s. 45E inserted (with effect as mentioned in [s. 61](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [s. 61](#), [Sch. 20 para. 4](#)
- F9** Word in s. 46(1) repealed (with effect in accordance with s. 167 of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 30 para. 4\(1\)\(b\)](#), [43 Pt. 3\(9\)](#)
- F10** Words in s. 46(1) inserted (16.11.2017) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [s. 38\(4\)](#)
- F11** Entry in s. 46(1) relating to s. 45F inserted (with effect as mentioned in [s. 63](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [s. 63](#), [Sch. 21 para. 5](#)
- F12** Words in s. 46(1) inserted (with effect in accordance with Sch. 11 para. 8 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 11 para. 4](#)
- F13** Words in s. 46(1) inserted (10.6.2021) by [Finance Act 2021 \(c. 26\)](#), [Sch. 22 para. 4](#)
- F14** Words in s. 46(1) substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [Sch. 23 para. 11\(c\)](#)
- F15** Word in s. 46(2) substituted (with effect in accordance with Sch. 11 paras. 26, 27, 28(1) to the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 11 para. 3](#) (with [Sch. 11 paras. 30-32](#))
- F16** Words in s. 46(2) omitted (with effect in accordance with s. 70(2) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [s. 70\(1\)\(a\)](#)
- F17** Words in s. 46(2) omitted (with effect in accordance with s. 70(2) of the amending Act) by virtue of [Finance Act 2013 \(c. 29\)](#), [s. 70\(1\)\(b\)](#)
- F18** Word in s. 46(2) substituted (with effect in accordance with Sch. 8 para. 15 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 8 para. 4\(2\)\(a\)](#)
- F19** Words in s. 46(2) inserted (with effect in accordance with Sch. 8 para. 15 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 8 para. 4\(2\)\(b\)](#)
- F20** Entry relating to s. 46(3)(4) inserted (with effect as mentioned in [s. 59](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [s. 59](#), [Sch. 19 para. 4\(3\)](#)
- F21** S. 46(5)(6) omitted (with effect in accordance with s. 33(5) of the amending Act) by virtue of [Finance Act 2019 \(c. 1\)](#), [s. 33\(2\)\(b\)\(iv\)\(b\)](#)

Modifications etc. (not altering text)

- C1** Pt. 2 modified (10.6.2021) by [Finance Act 2021 \(c. 26\)](#), [s. 9\(1\)\(a\)](#)
- C2** S. 46(2) restricted (10.6.2021) by [Finance Act 2021 \(c. 26\)](#), [s. 9\(9\)](#)

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 46.