



Capital Allowances Act 2001

2001 CHAPTER 2

PART 8

PATENT ALLOWANCES

CHAPTER 4

GIVING EFFECT TO ALLOWANCES AND CHARGES

479 Persons having qualifying non-trade expenditure: income tax

- (1) This section applies for income tax purposes if a person is entitled or liable under this Part to an allowance or charge for a chargeable period (“the current tax year”) in respect of qualifying non-trade expenditure.
- (2) An allowance is to be given effect by deducting it from or setting it off against the person’s income from patents for the current tax year.

[^{F1}(2A) The allowance is given effect at Step 2 of the calculation in section 23 of ITA 2007.]

- (3) If the amount to be deducted from or set off against the person’s income from patents for that tax year exceeds the amount of that income, the excess must be deducted from or set off against the person’s income from patents for the next tax year, and so on for subsequent tax years.
- (4) A charge is to be given effect by treating the charge as income to be [^{F2}assessed to income tax].

Textual Amendments

- F1** S. 479(2A) inserted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 408](#) (with [Sch. 2](#))

Changes to legislation: There are currently no known outstanding effects for the
Capital Allowances Act 2001, Section 479. (See end of Document for details)

F2 Words in s. 479(4) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#) ,
s. 883(1) , [Sch. 1 para. 565](#) (with [Sch. 2](#))

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 479.