



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### PART 9

#### DREDGING ALLOWANCES

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

#### **487 Writing-down allowances**

- (1) A person is entitled to a writing-down allowance for a chargeable period if—
  - (a) qualifying expenditure has been incurred on dredging,
  - (b) at any time during the chargeable period, the person is carrying on the qualifying trade for the purposes of which the qualifying expenditure was incurred, and
  - (c) that time falls within the writing-down period.
- (2) The writing-down period, in relation to qualifying expenditure incurred by a person, is 25 years beginning with the first day of the chargeable period of that person in which the qualifying expenditure was incurred.
- (3) The amount of the writing-down allowance is 4% of the qualifying expenditure.
- (4) The allowance is proportionately increased or reduced if the chargeable period is more or less than a year.
- (5) The total amount of any writing-down allowances made in respect of any qualifying expenditure, whether to the same or different persons, must not exceed the amount of the expenditure.
- (6) A person claiming a writing-down allowance may require the allowance to be reduced to a specified amount.
- (7) A person is not entitled to a writing-down allowance for the chargeable period in which a balancing allowance is made to him in respect of the qualifying expenditure.

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 487.