



# Corporation Tax Act 2009

## 2009 CHAPTER 4

### PART 8

#### INTANGIBLE FIXED ASSETS

#### CHAPTER 3

##### DEBITS IN RESPECT OF INTANGIBLE FIXED ASSETS

#### **731 Writing down at fixed rate: calculation**

- (1) If an election is made under section 730 for writing down at a fixed rate, a debit equal to the lesser of—
  - (a) 4% of the cost of the asset, and
  - (b) the balance of the tax written-down value,must be brought into account for tax purposes in each accounting period beginning with that in which the relevant expenditure is incurred.
- (2) If the accounting period is less than 12 months, the amount mentioned in subsection (1) (a) must be proportionately reduced.
- (3) In this section “the cost of the asset” means the cost recognised for tax purposes.
- (4) The cost of the asset recognised for tax purposes is the same as the amount capitalised for accounting purposes in respect of expenditure on the asset.
- (5) Subsection (4) is subject to any adjustments required by this Part or Schedule 28AA to ICTA (provision not at arm's length).
- (6) If there is a part realisation of the asset (see section 734(4)), the reference in subsection (1)(a) to the cost of the asset must be read as a reference to the sum of—
  - (a) the cost recognised for tax purposes in respect of the value of the asset recognised for accounting purposes immediately after the part realisation, and

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**Status:** Point in time view as at 01/04/2009. This version of this provision has been superseded.

**Changes to legislation:** There are outstanding changes not yet made by the legislation.gov.uk editorial team to Corporation Tax Act 2009. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details)

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- (b) the cost recognised for tax purposes of any subsequent expenditure on the asset that is capitalised for accounting purposes.
- (7) If there is a further part realisation, subsection (6) applies again.

**Status:**

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