



# Finance Act 2010

## 2010 CHAPTER 13

### PART 2

#### ANTI-AVOIDANCE AND REVENUE PROTECTION

##### *Losses, capital allowances etc*

#### **28 Cushion gas**

- (1) Part 2 of CAA 2001 (plant and machinery allowances) is amended as follows.
- (2) Section 70J (meaning of “funding lease”) is amended as follows.
- (3) After subsection (1) insert—
  - “(1A) A plant or machinery lease is also a “funding lease” if the plant or machinery is cushion gas.”
- (4) In subsection (2), for “Subsection (1) is” substitute “ Subsections (1) and (1A) are ”.
- (5) After subsection (6) insert—
  - “(7) In this section “cushion gas” means gas that functions or is intended to function as plant in a particular gas storage facility.”
- (6) In section 104A(1) (special rate expenditure)—
  - (a) omit the “and” at the end of paragraph (d), and
  - (b) after paragraph (e) insert “and
    - (f) expenditure incurred on or after 1 April 2010 on the provision of cushion gas (within the meaning given by section 70J(7)).”
- (7) After section 104F insert—

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 2010, Section 28. (See end of Document for details)*

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### **“104G Disposal events in respect of cushion gas**

- (1) This section applies if expenditure incurred by a person on the provision of cushion gas used in a particular gas storage facility includes both new expenditure and old expenditure.
- (2) Any disposal event which concerns any of that cushion gas is to be treated for the purposes of this Part as relating to cushion gas which is the subject of the new expenditure before cushion gas which is the subject of the old expenditure.
- (3) The result of subsection (2) (including any further application of that subsection) is that a disposal event may be treated as relating—
  - (a) only to cushion gas which is the subject of the new expenditure,
  - (b) both to—
    - (i) cushion gas which is the subject of the new expenditure, and
    - (ii) cushion gas which is the subject of the old expenditure, or
  - (c) only to cushion gas which is the subject of the old expenditure.
- (4) If a disposal event is treated, as a result of subsection (2), as relating both to—
  - (a) cushion gas which is the subject of the new expenditure, and
  - (b) cushion gas which is the subject of the old expenditure,it is to be treated for the purposes of this Part as two separate disposal events, the first relating to cushion gas within paragraph (a) and the second relating to cushion gas within paragraph (b).
- (5) In this section—
  - “cushion gas” has the meaning given by section 70J(7),
  - “new expenditure” means expenditure incurred on or after 1 April 2010, and
  - “old expenditure” means expenditure incurred before that date.”
- (8) The amendments made by subsections (2) to (5) have effect in relation to leases whose inception (within the meaning given by section 70YI(1) of CAA 2001) is on or after 1 April 2010.
- (9) The amendments made by subsection (6) have effect in relation to expenditure incurred on or after 1 April 2010.
- (10) The amendment made by subsection (7) has effect in relation to disposal events on or after 1 April 2010.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2010, Section 28.