
Changes to legislation: There are currently no known outstanding effects for the Finance (No. 3) Act 2010, Paragraph 3. (See end of Document for details)

SCHEDULES

SCHEDULE 7

FIRST-YEAR ALLOWANCES FOR ZERO-EMISSION GOODS VEHICLES

3 After section 45D insert—

“45DA Expenditure on zero-emission goods vehicles

- (1) Expenditure is first-year qualifying expenditure if—
 - (a) it is incurred in the period of 5 years beginning with the relevant date,
 - (b) it is incurred on the provision of a zero-emission goods vehicle,
 - (c) the vehicle is unused and not second-hand,
 - (d) the vehicle is registered, and
 - (e) the expenditure is not excluded by section 46 (general exclusions).
- (2) For the purposes of subsection (1)(d) it does not matter whether the vehicle is first registered before or after the expenditure is incurred.
- (3) In this section—

“goods vehicle” means a mechanically propelled road vehicle which is of a design primarily suited for the conveyance of goods or burden of any description;

“the relevant date” means—

 - (a) in the case of expenditure incurred by a person within the charge to corporation tax, 1 April 2010, and
 - (b) in the case of expenditure incurred by a person within the charge to income tax, 6 April 2010;

“zero-emission goods vehicle” means a goods vehicle which cannot in any circumstances emit CO₂ by being driven.
- (4) The Treasury may by order amend this Chapter so as to provide for specified descriptions of vehicles to be treated, or not to be treated, as goods vehicles for the purposes of this section.
- (5) This section is subject to section 45DB.

45DB Exclusions from allowances under section 45DA

- (1) Expenditure incurred by a person is not first-year qualifying expenditure under section 45DA if it is within subsection (2), (4) or (6).
- (2) Expenditure is within this subsection if, at the time a claim is made under section 3 for a section 45DA allowance in respect of the expenditure, the person who incurred the expenditure is, or forms part of, an undertaking within subsection (3).

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- (3) An undertaking is within this subsection if one or both of the following conditions are met—
- (a) it is reasonable to assume that the undertaking would be regarded as a firm in difficulty for the purposes of the Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty (2004/C 244/02);
 - (b) the undertaking is subject to an outstanding recovery order made by virtue of Article 108(2) of the Treaty on the Functioning of the European Union (Commission Decision declaring aid illegal and incompatible with the common market).
- (4) Expenditure is within this subsection if it is incurred for the purposes of a qualifying activity—
- (a) in the fishery or aquaculture sector, as covered by Council Regulation (EC) No 104/2000, or
 - (b) relating to the management of waste of undertakings.
- (5) In subsection (4)(b) the reference to waste of undertakings does not include waste of the person who incurred the expenditure or of any other person forming part of the same undertaking as that person.
- (6) Expenditure is within this subsection to the extent that it is taken into account for the purposes of a relevant grant, or relevant payment, made towards that expenditure.
- (7) A grant or payment is relevant if it is—
- (a) a notified State aid, other than an allowance under this Part, or
 - (b) a grant or subsidy, other than a notified State aid, which the Treasury by order declares to be relevant for the purposes of the withholding of a section 45DA allowance.
- (8) If a relevant grant or relevant payment towards the expenditure is made after the making of a section 45DA allowance, the allowance is to be withdrawn to that extent.
- (9) All such assessments and adjustments of assessments are to be made as are necessary to give effect to subsection (8).
- (10) Any such assessment or adjustment is not out of time if it is made within 3 years of the end of the chargeable period in which the grant or payment was made.
- (11) In this section—
- “General Block Exemption Regulation” means Commission Regulation (EC) No. 800/2008 (General block exemption Regulation);
 - “management” and “waste” have the meaning given by Article 1 of Directive 2006/12/EC of the European Parliament and of the Council;
 - “notified State aid” means a State aid notified to and approved by the European Commission;

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“section 45DA allowance” means a first year allowance in respect of expenditure that is first-year qualifying expenditure under section 45DA;

“undertaking” means—

- (a) an autonomous enterprise, or
- (b) an enterprise (not within paragraph (a)) and its partner enterprises (if any) and its linked enterprises (if any),

and for this purpose “enterprise”, “autonomous enterprise”, “partner enterprises” and “linked enterprises” have the meaning given by Annex 1 to the General Block Exemption Regulation.

- (12) The Treasury may by order make such provision amending this section as appears to them appropriate for the purpose of giving effect to any future amendments of or instrument replacing—
- (a) the General Block Exemption Regulation,
 - (b) the Community Guidelines on State Aid for Rescuing and Restructuring Firms in Difficulty (2004/C 244/02),
 - (c) Council Regulation (EC) No 104/2000,
 - (d) Directive 2006/12/EC of the European Parliament and of the Council, or
 - (e) the Treaty on the Functioning of the European Union.”

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