



Corporation Tax Act 2010

2010 CHAPTER 4

PART 21

LEASING ARRANGEMENTS: FINANCE LEASES AND LOANS

CHAPTER 2

FINANCE LEASES WITH RETURN IN CAPITAL FORM

Capital allowances: clawback of major lump sum

919 Cases where expenditure taken into account under other provisions of CAA 2001

- (1) This section applies if any allowance is or has been given in respect of capital expenditure incurred by the current lessor (“L”) in respect of the leased asset under any provision of CAA 2001 other than—
 - (a) Part 2 of CAA 2001 (plant and machinery allowances),
 - (b) Part 5 of that Act (mineral extraction allowances), or
 - (c) Part 8 of that Act (patent allowances).
- (2) The amount specified in subsection (3) is treated, in relation to L, as if it were a balancing charge to be made on L for the chargeable period in which the relevant occasion falls.
- (3) That amount is an amount equal to—
 - (a) the total of the allowances given as mentioned in subsection (1) (so far as not previously recovered or withdrawn), or
 - (b) if it is less, the amount or value of the major lump sum.
- (4) In this section “chargeable period” has the meaning given by section 6 of CAA 2001.

Changes to legislation:

There are currently no known outstanding effects for the Corporation Tax Act 2010, Section 919.