

Status: Point in time view as at 13/10/1993.

Changes to legislation: There are currently no known outstanding effects for the Finance (No. 2) Act 1992, Cross Heading: Restriction of losses by reference to capital allowances. (See end of Document for details)

SCHEDULES

SCHEDULE 17

NORTHERN IRELAND ELECTRICITY

Restriction of losses by reference to capital allowances

- 6 (1) Where by virtue of sub-paragraph (4) of paragraph 5 above an election is made under section 11 of the ^{M1}Capital Allowances Act 1990 in respect of a lease to which that sub-paragraph applies, sub-paragraph (2) and, if the relevant condition is met, sub-paragraph (3) below shall apply; and for the purposes of this sub-paragraph the relevant condition is that, as a result of a disposal by the lessee in relevant circumstances, section 275(1) of the ^{M2}Income and Corporation Taxes Act 1970 or section 174(1) of the ^{M3}Taxation of Chargeable Gains Act 1992 applies in relation to a subsequent disposal.
- (2) Where this sub-paragraph applies, section 34 of the ^{M4}Capital Gains Tax Act 1979 or, as the case may be, section 41 of the Taxation of Chargeable Gains Act 1992 (restriction of losses by reference to capital allowances etc.) shall apply in relation to any disposal by the lessee as if any capital allowance made to—
- (a) NIE or any predecessor, or
 - (b) the lessor,
- in respect of expenditure incurred on the construction of the building or structure comprised in the lease had been made to the lessee.
- (3) Where this sub-paragraph applies, section 275(1) of the Income and Corporation Taxes Act 1970 or, as the case may be, section 174(1) of the Taxation of Chargeable Gains Act 1992 shall apply as if the reference to capital allowances made to the person from which the asset was acquired included capital allowances made to—
- (a) NIE or any predecessor, or
 - (b) the lessor,
- in respect of expenditure incurred on the construction of the building or structure comprised in the lease but only so far as not taken into account in relation to any previous disposal.
- (4) Where by virtue of sub-paragraph (5) of paragraph 5 above an election is made under section 55 of the Capital Allowances Act 1990 in respect of a lease to which that sub-paragraph applies, sub-paragraph (5) and, if the relevant condition is met, sub-paragraph (6) below shall apply; and the relevant condition for the purposes of this sub-paragraph is the same as the relevant condition for the purposes of sub-paragraph (1) above.
- (5) Where this sub-paragraph applies, section 34 of the Capital Gains Tax Act 1979 or, as the case may be, section 41 of the Taxation of Chargeable Gains Act 1992 shall apply in relation to any disposal by the lessee as if any capital allowance made to—

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- (a) NIE or any predecessor, or
- (b) the lessor,

in respect of expenditure incurred on the provision of the fixture comprised in the lease had been made to the lessee.

- (6) Where this sub-paragraph applies, section 275(1) of the Income and Corporation Taxes Act 1970 or, as the case may be, section 174(1) of the Taxation of Chargeable Gains Act 1992 shall apply as if the reference to capital allowances made to the person from which the asset was acquired included capital allowances made to—

- (a) NIE or any predecessor, or
- (b) the lessor,

in respect of expenditure incurred on the provision of the fixture comprised in the lease but only so far as not taken into account in relation to any previous disposal.

Marginal Citations

- M1** 1990 c. 1.
- M2** 1970 c. 10.
- M3** 1992 c. 12.
- M4** 1979 c. 14.

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