



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### [<sup>F1</sup>PART 3

#### INDUSTRIAL BUILDINGS ALLOWANCES

### CHAPTER 7

#### BALANCING ADJUSTMENTS

#### *Balancing allowances restricted where sale subject to subordinate interest]*

### 326 Interpretation of section 325

(1) In section 325—

“commercial rent” means such rent as may reasonably be expected to have been required in respect of the subordinate interest (having regard to any premium payable for the grant of the interest) if the transaction had been at arm’s length;

“premium” includes any capital consideration, except so much of any sum as corresponds to [<sup>F1</sup>—]

- (a) [<sup>F2</sup>an amount brought into account as a receipt in calculating the profits of a property business under sections 217 to 221 of CTA 2009 that is calculated by reference to the sum, or]
- (b) [<sup>F3</sup>an amount brought into account as a receipt in calculating the profits of a UK property business under sections 277 to 281 of ITTOIA 2005 that is calculated by reference to the sum; ]

“subordinate interest” means an interest in or right over the building, whether granted by the former owner or anyone else.

(2) In section 325 and this section—

“capital consideration” means consideration which consists of a capital sum or would be a capital sum if it had consisted of a money payment, and

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**Changes to legislation:** There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 326. (See end of Document for details)

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“rent” includes any consideration which is not capital consideration.

**Textual Amendments**

- F1** Words in s. 326(1) become para. (a) (with effect in accordance with s. 883(1) of the amending Act) by virtue of [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 553\(a\)](#) (with [Sch. 2](#))
- F2** Words in s. 326(1) substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 499](#) (with [Sch. 2 Pts. 1, 2](#))
- F3** Words in s. 326(1) inserted (with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 553\(b\)](#) (with [Sch. 2](#))

**Changes to legislation:**

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 326.