

Status: Point in time view as at 24/02/2022.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, Cross Heading: Research and development allowances. (See end of Document for details)

SCHEDULES

SCHEDULE 5

STRUCTURES AND BUILDINGS ALLOWANCES

Research and development allowances

2 In Part 2A (structures and buildings allowances), for section 270EC substitute—

“270EC Research and development

- (1) This section applies if, at any time, a person sells the relevant interest in a building or structure to another.
- (2) The total amount of the allowances under this Part by reference to the building or structure that is available to the person buying the relevant interest is reduced (but not below nil) by the amount of any Part 6 allowance to which the person is entitled by reference to the building or structure.
- (3) There is another restriction on the total amount of those allowances which applies if—
 - (a) the sale in question, or a sale of the relevant interest at an earlier time, is by a person entitled to a Part 6 allowance by reference to the building or structure, and
 - (b) the amount paid for the relevant interest on any of those sales is less than the ordinary Part 2A amount (see subsection (6)).
- (4) The other restriction is that the total amount of the allowances under this Part by reference to the building or structure that is available to the person buying the relevant interest may not exceed the permitted maximum.
- (5) For this purpose “the permitted maximum” is—
 - (a) the lowest sum paid for the relevant interest on the sale in question or any earlier sale within subsection (3)(a), less
 - (b) the total amount of the allowances under this Part arising by reference to the building or structure since the earliest sale identified for the purposes of paragraph (a) of this subsection.
- (6) In this section “the ordinary Part 2A amount” means—
 - (a) the amount of the qualifying expenditure, by reference to which an allowance can be made under this Part, incurred in relation to the building or structure before the time of the sale in question, less
 - (b) the total amount of the allowances under this Part arising before that time by reference to the building or structure.
- (7) In this section any reference to allowances under this Part is to allowances to which an entitlement has arisen under this Part or would have arisen under

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this Part if the building or structure had been in continuous qualifying use since it was first brought into non-residential use.

- (8) In this section “Part 6 allowance”, in relation to a person and a building or structure, means an allowance under Part 6 in respect of expenditure incurred by the person on its construction or acquisition.”

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