



Capital Allowances Act 1990 (repealed)

1990 CHAPTER 1

PART IV

MINERAL EXTRACTION

CHAPTER III

LIMITATIONS ON QUALIFYING EXPENDITURE ETC.

110 Expenditure on the acquisition of land.

- (1) In so far as capital expenditure falling within section 105(1)(b) consists of expenditure on the acquisition of an interest in land (whether in the United Kingdom or elsewhere) and that land includes a source of mineral deposits, so much of that expenditure as is equal to the undeveloped market value of the interest shall not constitute qualifying expenditure.
- (2) In relation to the acquisition of an interest in land, the undeveloped market value means the consideration which, at the time of the acquisition, the interest might reasonably be expected to fetch on a sale in the open market on the assumptions—
 - (a) that there is no source of mineral deposits on or in the land; and
 - (b) that it is and will continue to be unlawful to carry out any development of the land other than—
 - (i) development which, at the time of the acquisition, has been or had begun to be lawfully carried out; and
 - (ii) any other development for which planning permission is granted by a development order which has been made as a general development order and is in force at that time.
- (3) In the application of subsection (2) above to the acquisition of an interest in land outside the United Kingdom—

Status: Point in time view as at 01/05/1995. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 1990 (repealed), Section 110. (See end of Document for details)

- (a) any question whether development has been or is being lawfully carried out shall be determined in accordance with the law of the territory in which the land is situated; and
 - (b) any question whether development is of a character for which planning permission is granted by a general development order shall be determined as if the land were situated in England or Wales.
- (4) In any case where—
- (a) subsections (1) to (3) above have effect to limit the amount of expenditure falling within section 105(1)(b) which is qualifying expenditure, and
 - (b) the undeveloped market value of the interest in land in question includes the value of any buildings or other structures on the land, and
 - (c) at the time of the acquisition of the interest in land or at any time thereafter, those buildings or structures cease permanently to be used for any purpose,
- then at the time referred to in paragraph (c) above the person who incurred the expenditure referred to in paragraph (a) above shall be treated as having incurred qualifying expenditure falling within section 105(1)(b) equal to the unrelieved value of the buildings or structures referred to in paragraph (b) above.
- (5) In subsection (4) above “the unrelieved value” of buildings or structures falling within paragraph (b) of that subsection means the value of those buildings or structures determined as at the date of the acquisition of the interest in land (and without regard to any value properly attributable to the land on which the buildings or structures stand) less the excess of any allowances over balancing charges which the person treated by subsection (4) above as incurring expenditure has received in respect of buildings or structures or assets therein under this Act disregarding Part III and, in cases where the buildings or structures have ceased before 27th July 1989 permanently to be used for any purpose, Part V.
- (6) References in subsections (1) to (5) above to the time of the acquisition of an interest in land are not affected by section 120.

Status:

Point in time view as at 01/05/1995. This version of this provision has been superseded.

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 1990 (repealed), Section 110.