



# Capital Allowances Act 1990

## 1990 CHAPTER 1

### PART VIII

#### SUPPLEMENTARY PROVISIONS

#### 161 Other interpretative provisions

(1) Subject to subsection (10) below and except where the context otherwise requires, the following provisions of this section shall have effect for the interpretation of this Act.

(2) In this Act—

“the 1968 Act” means the Capital Allowances Act 1968;

“the Board” means the Commissioners of Inland Revenue;

“chargeable period” means an accounting period of a company or a year of assessment; and—

(a) a reference to a “chargeable period or its basis period” is a reference to the chargeable period if it is an accounting period and to the basis period for it if it is a year of assessment;

(b) a reference to a “chargeable period related to” the incurring of expenditure, or a sale or other event, is a reference to the chargeable period in which, or to that in the basis period for which, the expenditure is incurred or the sale or other event takes place, and means the latter if, but only if, the chargeable period is a year of assessment;

“control” means—

(a) in relation to a body corporate, the power of a person to secure, by means of the holding of shares or the possession of voting power in or in relation to that or any other body corporate, or by virtue of any powers conferred by the articles of association or other document regulating that or any other body corporate, that the affairs of the first-mentioned body corporate are conducted in accordance with the wishes of that person, and

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*Status: This is the original version (as it was originally enacted).*

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(b) in relation to a partnership, means the right to a share of more than one-half of the assets, or of more than one-half of the income, of the partnership;

“dual resident investing company” means a company which is for the purposes of section 404 of the principal Act a dual resident investing company;

“foreign concession” means a right or privilege granted by the government of, or any municipality or other authority in, any territory outside the United Kingdom;

“income” includes any amount on which a charge to tax is authorised to be made under any of the provisions of this Act;

“lease” includes an agreement for a lease where the term to be covered by the lease has begun, and any tenancy, but does not include a mortgage, and “lessee”, “lessor” and “leasehold interest” shall be construed accordingly;

“mineral deposits” includes any natural deposits capable of being lifted or extracted from the earth and, for this purpose, geothermal energy, whether in the form of aquifers, hot dry rocks or otherwise, shall be treated as a natural deposit;

“notice” means a notice in writing;

“the principal Act” means the Income and Corporation Taxes Act 1988;

“scientific research allowance” means an allowance made under Part VII other than an allowance under section 136;

“tax”, where neither corporation tax nor income tax is specified, means either of those taxes;

“writing-down allowance”, where the reference is partly to years of assessment before the year 1966-67, includes an annual allowance in the sense which, in the context, that phrase had immediately before the commencement of the Finance Act 1965;

and any reference to a particular Part, Chapter or Schedule is a reference to that Part or Chapter of or Schedule to this Act.

- (3) This Act shall apply in relation to a trade, profession or vocation chargeable in accordance with section 65(3) of the principal Act as it applies to one chargeable to tax under Case I or II of Schedule D.
- (4) For the purposes of this Act, a source of income is “within the charge to” corporation tax or income tax if that tax is chargeable on the income arising from it, or would be so chargeable if there were any such income, and references to a person, or to income, being within the charge to tax shall be similarly construed.
- (5) Any reference to allowances or charges being made in taxing a trade is a reference to their being made in computing the trading income for corporation tax or in charging the profits or gains of the trade to income tax.
- (6) Any reference to an allowance made or deduction allowed includes a reference to an allowance or deduction which would be made or allowed but for an insufficiency of profits or gains, or other income, against which to made it.
- (7) Any reference to any building, structure, machinery, plant, works, asset, farmhouse, farm or forestry building, cottage or fence shall be construed as including a reference to a part of any building, structure, machinery, plant, works, asset, farmhouse, farm or forestry building, cottage or fence.

This subsection shall not apply where the reference is expressed to be to the whole of a building or structure; and in relation to chargeable periods beginning on or after 6th April 1993 this subsection shall have effect with the omission of the words “or forestry” (in both places where they occur).

- (8) Any reference to the time of any sale shall be construed as a reference to the time of completion or the time when possession is given, whichever is the earlier.

This subsection does not apply for the purposes of Part VII.

- (9) Any reference to the setting up, commencement or permanent discontinuance of a trade includes, except where the contrary is expressly provided, a reference to the occurring of an event which, under any of the provisions of the Income Tax Acts or the Corporation Tax Acts (other than paragraph 7 of Schedule 16 to the Finance Act 1965), is to be treated as equivalent to the setting up, commencement or permanent discontinuance of a trade.
- (10) For the purposes of Part II this section shall have effect with the omission of the definitions of “control” and “lease” and related expressions in subsection (1) above and of subsection (8); and subsections (5), (7) and (9) do not apply for the purposes of Part III.
- (11) Chapter I of Part XIII of the principal Act (which relates to patents and know-how) contains further provisions relating to capital allowances.