



Capital Allowances Act 1990

1990 CHAPTER 1

PART II

MACHINERY AND PLANT

CHAPTER I

ALLOWANCES AND CHARGES: GENERAL PROVISIONS

28 Investment companies and life assurance companies

- (1) Subject to subsections (2) to (6) below, this Part and such other provisions of the Corporation Tax Acts as relate to allowances or charges under this Part shall apply with any necessary adaptations in relation to machinery and plant provided for use or used for the purposes of the management of the business—
 - (a) of an investment company (as defined in section 130 of the principal Act), or
 - (b) of a company carrying on the business of life assurance,as they apply in relation to machinery or plant provided for use or used for the purposes of a trade; and, except as provided by subsection (2) below, in relation to any allowances and balancing charges which fall to be made by virtue of this section, the Corporation Tax Acts shall apply as if they were to be made in taxing a trade.
- (2) As respects allowances or charges falling to be made by virtue of this section in relation to any business—
 - (a) allowances for any accounting period shall, as far as may be, be given effect by deducting the amount of the allowance from any income for the period of the business, and in so far as effect cannot be so given, section 75(4) of the principal Act shall apply; and
 - (b) effect shall be given to any charge by treating the amount on which the charge is to be made as income of the business;and sections 73, 144 and 145 shall not apply.

Status: This is the original version (as it was originally enacted).

- (3) No allowance and no balancing charge shall be made by virtue of this section for any accounting period in respect of expenditure incurred by any person on machinery or plant, except in pursuance of an election made by him for that accounting period; but an election for any chargeable period shall have effect as an election for that and all subsequent chargeable periods.
- (4) An election under subsection (3) above shall be made by notice to the inspector either for all machinery or plant provided for use or used for the purposes of the management of the relevant business, or for any class of machinery or plant so provided or used; but an election for machinery or plant of any class shall not be made for any accounting period after an assessment in respect of the business for that or a subsequent accounting period has been finally determined without such an election.
- (5) Corresponding allowances or charges in the case of the same machinery or plant shall not be made under this Part both under subsection (2) above and in some other way; and, on any assessment to tax, expenditure to which an election under this section applies shall not be taken into account otherwise than under this Part and except as provided by section 75(4) of the principal Act.
- (6) In this section references to the purposes of the management of a business are to be taken as referring to those purposes expenditure on which would, apart from this section, be treated as expenses of management within the meaning of section 75 of the principal Act.