



Finance Act 1994

1994 CHAPTER 9

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Capital allowances

118 Expenditure on machinery or plant: notification.

- (1) A first year allowance shall not be made under—
- (a) section 22 of the ^{M1}Capital Allowances Act 1990 (first-year allowances in respect of expenditure on machinery or plant), or
 - (b) section 41 of the ^{M2}Finance Act 1971 (provision corresponding to section 22 applicable to earlier chargeable periods),
- for any chargeable period (whenever ending) unless the relevant condition is fulfilled with respect to that period.
- (2) For the purposes of—
- (a) section 25(1) of the 1990 Act (meaning of qualifying expenditure for the purposes of writing-down allowances for expenditure on machinery or plant), and
 - (b) section 44(4) of the 1971 Act (provision corresponding to section 25(1) applicable to earlier chargeable periods),
- no expenditure may form part of a person's qualifying expenditure for any chargeable period (whenever ending) unless the relevant condition is fulfilled with respect to that period.

Status: Point in time view as at 27/07/1999. This version of this provision has been superseded.

Changes to legislation: Finance Act 1994, Section 118 is up to date with all changes known to be in force on or before 12 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) The relevant condition is fulfilled with respect to a chargeable period ending on or after 30th November 1993 if notice of the expenditure is given to [^{F1}an officer of the Board, in such form as the Board may require, within the period specified in subsection (3A) below].

[^{F2}(3A) A notice under subsection (3) above—

- (a) for the purposes of income tax, shall be given on or before the first anniversary of the 31st January next following the year of assessment in which ends the chargeable period mentioned in that subsection;
- (b) for the purposes of corporation tax, shall be given no later than two years after the end of the chargeable period mentioned in that subsection.]

- (4) The relevant condition is fulfilled with respect to a chargeable period ending before 30th November 1993 if—

- (a) the expenditure was included in a computation which—
 - (i) was required to be made for any tax purpose,
 - (ii) was given before that date to an inspector, and
 - (iii) was not contained in a document prepared primarily for a purpose which was not a tax purpose; or
- (b) notice of the expenditure is given to the inspector, in such form as the Board may require, not later than three years after the end of that period; or
- (c) if the chargeable period ends on or after 1st December 1990, notice of the expenditure is so given before the passing of this Act.

- (5) If in a particular case it appears to the Board appropriate to do so, having regard to all the circumstances of the case (including in particular any unforeseeable circumstances which have delayed the giving of any notice or computation), they may extend the period within which for the purposes of subsection (3) or (4) above any notice or computation is to be given to the inspector.

- (6) For the purposes of the provisions mentioned in subsection (2) above expenditure which has not formed part of a person's qualifying expenditure for a previous chargeable period may not form part of his qualifying expenditure for a subsequent chargeable period unless the machinery or plant on which the expenditure was incurred belongs to that person at some time in that subsequent period ^{F3} . . .

[^{F4}(7) No relief shall be given under—

- (a) section 33, 33A or 42 of the Taxes Management Act 1970, or
- (b) paragraph 51 or 56 of Schedule 18 to the Finance Act 1998,

in respect of a claim of error or mistake to the extent that the error or mistake consists of or arises from a failure to fulfil the relevant condition in relation to a chargeable period.]

- (8) In this section “the 1990 Act” means the ^{M3}Capital Allowances Act 1990 and “the 1971 Act” means the ^{M4}Finance Act 1971; and expressions used in subsections (1) to (6) above have the same meaning as in the 1990 Act or (as the case may be) the 1971 Act.

- (9) Any such adjustment as is appropriate in consequence of this section may be made (whether by way of discharge or repayment of tax, the making of an assessment or otherwise).

Status: Point in time view as at 27/07/1999. This version of this provision has been superseded.

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Textual Amendments

- F1** Words in s. 118(3) substituted (29.4.1996 with effect as mentioned in s. 135(2)(5) of the amending Act) by 1996 c. 8, s. 135, **Sch. 21 para. 48(2)**
- F2** S. 118(3A) inserted (29.4.1996 with effect as mentioned in s. 135(2)(5) of the amending Act) by 1996 c. 8, s. 135, **Sch. 21 para. 48(3)**
- F3** Words in s. 118(6) repealed (3.5.1994 with effect as mentioned in ss. 211(2), 218(1)(b) of the repealing Act) by 1994 c. 9, s. 258, **Sch. 26 Pt. V(24)**, Note 5
- F4** S. 118(7) substituted (27.7.1999 with effect as mentioned in s. 93(2) of the amending Act) by 1999 c. 16, s. 93(1), **Sch. 11 para. 8**
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Marginal Citations

- M1** 1990 c. 1.
- M2** 1971 c. 68.
- M3** 1990 c. 1.
- M4** 1971 c. 68.

Status:

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