



Finance Act 1994

1994 CHAPTER 9

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER IV

CHANGES FOR FACILITATING SELF-ASSESSMENT

Capital allowances

211 Income tax allowances and charges in taxing a trade etc

- (1) For section 140 of the Capital Allowances Act 1990 there shall be substituted the following section—

“140 Income tax allowances and charges in taxing a trade etc

- (1) In computing for the purposes of income tax a person's income for any period of account there shall be made all such deductions and additions as are required to give effect to the provisions of Parts I to VI and this Part which relate to allowances and charges in respect of capital expenditure; and subsection (2) below and section 141 have effect as respects allowances and charges which fall to be made under those provisions as they apply for the purposes of income tax.
- (2) Allowances and charges which fall to be made for any period of account in taxing a trade under the provisions of Parts I to VI and this Part as they apply for the purposes of income tax shall be given effect by treating the amount of any allowance as a trading expense of the trade in that period, and by treating the amount on which any such charge is to be made as a trading receipt of the trade in that period.

Status: This is the original version (as it was originally enacted).

- (3) Any claim made by a person for an allowance falling to be made to him in taxing his trade shall be made in his return of income for income tax purposes, and section 42 of the Taxes Management Act 1970 shall not apply to any such claim.
 - (4) This section shall apply in relation to professions, vocations, employments and offices as it applies in relation to trades.
 - (5) Deductions allowable in taxing a trade under the provisions of Part VII as they apply for the purposes of income tax shall be given effect in accordance with subsections (1) and (2) above.
 - (6) In the application of subsection (2) above to allowances and charges which fall to be made under the provisions of Part I, references to a trade shall be treated as including references to an undertaking treated by virtue of section 21(5A) as carried on by way of trade.”
- (2) Subject to section 214(7) below, this section and sections 212 to 214 below, in their application to trades, professions or vocations set up and commenced before 6th April 1994 or employments or offices entered into before that date, have effect as respects the year 1997-98 and subsequent years of assessment.