



# 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*

#### **214 Amendments of other enactments.**

- (1) In the Taxes Act 1988, the following provisions shall cease to have effect, namely—
  - (a) in section 96 (farming and market gardening: relief for fluctuating profits), in subsection (7), paragraph (b);
  - (b) section 383 (extension of right to set-off to capital allowances);
  - (c) in section 384 (restrictions on right of set-off), in subsection (1), the words “(including any amount in respect of capital allowances which, by virtue of section 383, is to be treated as a loss)”, and in subsection (2), the words “or an allowance in respect of expenditure incurred”, paragraph (b) and the word “or” immediately preceding that paragraph;
  - (d) in section 388 (carry-back of terminal losses), in subsection (6), paragraphs (b) and (d) and the word “and” immediately preceding paragraph (d), and in subsection (7), the words from the beginning to “an earlier year: and”; and
  - (e) in section 389 (supplementary provisions relating to carry-back of terminal losses), subsections (5) to (7).
- (2) In subsection (6) of section 384 of that Act—
  - (a) for the words “There shall be disregarded for the purposes of section 383 any allowances” there shall be substituted the words “ There shall be disregarded

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*Status: Point in time view as at 03/05/1994. This version of this provision has been superseded.*

*Changes to legislation: Finance Act 1994, Section 214 is up to date with all changes known to be in force on or before 31 August 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)*

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- for the purposes of sections 380 and 381 so much of any loss as derives from any allowances”; and
- (b) for the words “the year of the loss (as defined in section 383)” there shall be substituted the words “ the year of assessment in which the loss was sustained ”.
- (3) In subsection (1) of section 397 of that Act (restriction of relief in case of farming and market gardening)—
- (a) after the word “loss”, in the second place where it occurs, there shall be inserted the words “ , computed without regard to capital allowances, ”; and
- (b) the words from “and where” to the end shall cease to have effect.
- (4) In subsection (4)(a) of section 520 of that Act (allowances for expenditure on purchase of patent rights), for sub-paragraph (ii) there shall be substituted the following sub-paragraph—
- “(ii) a proportionately reduced or, as the case may require, increased percentage of the excess if the period is a period of less or more than a year, or the trade has been carried on for part only of the period;”.
- (5) In the following provisions of that Act, namely—
- (a) section 521 (provisions supplementary to section 520);
- (b) section 528 (manner of making allowances and charges); and
- (c) section 530 (disposal of know-how),
- the words “or its basis period”, in each place where they occur, shall cease to have effect.
- (6) In subsection (2)(a) of section 530 of that Act (disposal of know-how), for sub-paragraph (ii) there shall be substituted the following sub-paragraph—
- “(ii) a proportionately reduced or, as the case may require, increased percentage of the excess if the period is a period of less or more than a year, or the trade has been carried on for part only of the period;”.
- (7) Subsection (1)(a) above—
- (a) except in its application to a trade set up and commenced on or after 6th April 1994, has effect where the first of the two years of assessment to which the claim relates is the year 1996-97 or any subsequent year, and
- (b) in its application to a trade so set up and commenced, has effect where the first of those two years of assessment is the year 1995-96 or any subsequent year.

**Status:**

Point in time view as at 03/05/1994. This version of this provision has been superseded.

**Changes to legislation:**

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