

SCHEDULES

SCHEDULE 39

ENACTMENT OF CERTAIN INLAND REVENUE EXTRA-STATUTORY CONCESSIONS

PART I

INCOME TAX AND CORPORATION TAX

Capital Allowances

- 1 (1) The Capital Allowances Act 1990 (“the 1990 Act”) shall be amended as follows.
- (2) The following section shall be inserted after section 15 of the 1990 Act:

“15A Balancing charge after cessation of trade

- (1) This section applies where:
 - (a) a balancing charge falls to be made as provided in section 15 on any person in respect of a building or structure which is temporarily out of use but is deemed by virtue of subsection (1) of that section still to be an industrial building or structure; and
 - (b) when the building or structure was last in use, it was in use as an industrial building or structure for the purposes of a trade which was carried on by that person but which has since been permanently discontinued.
 - (2) Where this section applies, the amount of the balancing charge shall be treated for the purposes of section 105 of the principal Act (allowable deductions) as a sum received by that person which is chargeable to tax under section 103 or 104(1) of the principal Act (charges on receipts after discontinuance), and accordingly any loss, expense, debit or capital allowance such as is referred to in section 105(1) may be deducted from the amount of the balancing charge.
 - (3) Nothing in subsection (2) above shall prevent any amounts allowable under any other provisions of the Tax Acts from being deducted from the amount of the balancing charge.
 - (4) Section 15(3) shall apply for the purposes of this section.”
- (3) Section 35 of the 1990 Act (contributions to expenditure, and hiring of cars) shall be amended by the insertion of the following subsection after subsection (2):
 - “(2A) Where subsection (2) has operated to reduce any expenditure on the hiring of a motor car, and subsequently either any rebate (by whatever name called) of the rentals is made or any transaction occurs with regard to any rentals that

Status: This is the original version (as it was originally enacted).

falls within section 94 of the principal Act (debts deducted and subsequently released), then the amount otherwise taxable in respect of the rebate or transaction shall be reduced in the same proportion as the expenditure on hiring was reduced.”

- (4) The amendment made by subparagraph (2) above shall have effect where the balancing charge falls to be made on or after the day on which this Act is passed, and the amendment made by subparagraph (3) above shall have effect in relation to rebates made and transactions occurring on or after the day on which this Act is passed.

Contributions to overseas pension schemes

- 2 (1) Section 76 of the Finance Act 1989 (non-approved retirement benefits schemes) shall be amended as follows.
- (2) At the beginning of each of subsections (2), (3), (5) and (6), for “Expenses” there shall be substituted “Subject to subsection (6A) below, expenses”.
- (3) The following subsections shall be inserted after subsection (6):
- “(6A) Expenses to which subsection (6B) or (6C) below applies shall be treated as not falling within any of subsections (2), (3), (5) or (6) above.
- (6B) This subsection applies to expenses of paying any sum, or of providing benefits, pursuant to a superannuation fund which satisfies the requirements of section 615(6) of the Taxes Act 1988.
- (6C) This subsection applies to expenses of paying any sum, or of providing benefits, pursuant to a retirement benefits scheme which is established outside the United Kingdom and which the Board are satisfied corresponds to such a scheme as is mentioned in paragraphs (a), (b) or (c) of section 596(1) of the Taxes Act 1988, where the expenses are incurred for the benefit of:
- (a) employees whose emoluments are foreign emoluments within the meaning of section 192 of the Taxes Act 1988; or
- (b) employees who are not resident in the United Kingdom and whose duties are performed wholly outside the United Kingdom (and for this purpose duties performed in the United Kingdom the performance of which is merely incidental to the performance of other duties outside the United Kingdom shall be treated as performed outside the United Kingdom).”
- (4) The amendments made by this paragraph shall have effect in relation to expenses incurred on or after the day on which this Act is passed.