

## SCHEDULES

### SCHEDULE 22

#### TONNAGE TAX

##### PART IX

###### THE RING FENCE: CAPITAL ALLOWANCES: GENERAL

###### *Entry: deferred balancing charge on disposal of ship*

- 72 (1) This paragraph applies where deferment of a balancing charge has been claimed under sections 33A to 33F of the Capital Allowances Act 1990 (balancing charge on disposal of ship to be deferred and set against new expenditure incurred within six years) by a company that subsequently enters tonnage tax.
- (2) Expenditure on new shipping incurred by a company subject to tonnage tax shall not be taken into account for the purposes of those sections unless the company that incurred the balancing charge—
- (a) was a qualifying company for the purposes of this Schedule at the time the balancing charge arose, or
  - (b) would have been such a company had this Schedule been in force at that time.
- (3) Subject to sub-paragraph (2)—
- (a) the company's entry into tonnage tax does not affect the operation of those sections, and
  - (b) the expenditure on new shipping that is to be taken into account for the purposes of those sections shall be determined as if the company was not subject to tonnage tax.