
*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2000, Part XIII. (See end of Document for details)*

SCHEDULES

SCHEDULE 22

TONNAGE TAX

PART XIII

APPLICATION OF PROVISIONS TO PARTNERSHIPS

Introduction

- 130 (1) The Inland Revenue may make provision by regulations as to the application of this Schedule in relation to activities carried on by a company in partnership.
- (2) Nothing in the following provisions of this Part of this Schedule shall be read as restricting the generality of this power.

Calculation of partnership profits

- 131 The regulations may provide that—
- (a) for the purpose of calculating the profits of a partner which is a tonnage tax company, the profits of the partnership shall be calculated as if the partnership were a tonnage tax company, and
 - (b) for the purpose of calculating the profits of a partner which is not a tonnage tax company, the profits of the partnership shall be calculated as if the partnership were not a tonnage tax company.

Qualifying partnerships

- 132 (1) The regulations may provide that activities carried on by a company in partnership are not to be regarded as qualifying activities of that company unless the partnership is a qualifying partnership.
- “Qualifying activities” here means core qualifying activities, qualifying secondary activities or qualifying incidental activities.
- (2) Subject to any provision made by the regulations, a “qualifying partnership” means a partnership that if it were a company would meet the requirements in paragraph 16(1) (qualifying companies).

Ships owned by or chartered to partners

- 133 The regulations may provide that a ship which is not partnership property but which—
- (a) is owned by or chartered to a member (or two or more members) of a partnership, and

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(b) is a ship in relation to which activities of the partnership business are carried on,
shall be treated as if it were owned by or chartered to every member of the partnership and as if everything done by or to any of the partners in relation to it had been done by or to all the partners.

Transactions not at arm's length

- 134 The regulations may provide that for the purposes of paragraphs 58 and 59 (transactions not at arm's length) the partnership shall be treated—
- (a) as an entity separate and distinct from the persons that are its members, and
 - (b) as if it were a tonnage tax company.

Adjustments for capital allowance purposes

- 135 The regulations may provide that where a partner leaves tonnage tax, such adjustments shall be made for capital allowance purposes, in relation to that partner and all or any of the other partners, with respect to—
- (a) the amount of qualifying expenditure under [^{F1}Part 2 of the Capital Allowances Act 2001 (plant and machinery allowances)], and
 - (b) the amount of [^{F2}the residue of qualifying expenditure under Part 3 of that Act(industrial buildings allowances)],
- as may be specified in the regulations.

Textual Amendments

- F1** Words in [Sch. 22 para. 135\(a\)](#) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579, Sch. 2 para. 108\(36\)](#)
- F2** Words in [Sch. 22 para. 135\(b\)](#) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579, Sch. 2 para. 108\(36\)](#)

General

- 136 Regulations under this Part of this Schedule—
- (a) may make different provision for different cases, and
 - (b) may contain such supplementary, incidental and transitional provision as appears to the Inland Revenue to be appropriate.

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