



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 15

ASSET PROVIDED OR USED ONLY PARTLY FOR QUALIFYING ACTIVITY

208 Effect of significant reduction in use for purposes of qualifying activity

(1) This section applies if—

- (a) expenditure is allocated to a single asset pool under this Chapter,
- (b) there is such a change of circumstances as would make it appropriate for any reduction falling to be made under section 207—
 - (i) for the chargeable period in which the change takes place (“the relevant chargeable period”), or
 - (ii) for any subsequent chargeable period,to represent a larger proportion of the amount reduced than would have been appropriate apart from the change,
- (c) no disposal value in respect of the plant or machinery would, apart from this section, fall to be brought into account for the relevant chargeable period, and
- (d) the market value of the plant or machinery at the end of the relevant chargeable period exceeds the available qualifying expenditure in that pool for that period by more than £1 million.

(2) If this section applies—

- (a) a disposal value is required to be brought into account in the single asset pool for the relevant chargeable period, and
- (b) section 206 applies as if, at the beginning of the following chargeable period, expenditure had been incurred on the provision of the plant or machinery

Changes to legislation: There are currently no known outstanding effects for the
Capital Allowances Act 2001, Section 208. (See end of Document for details)

of an amount equal to the disposal value brought into account as a result of
paragraph (a).

Modifications etc. (not altering text)

- C1** S. 208(1) modified by 1993 c. 34, s. 93A(6) (as inserted (with effect as mentioned in s. 80(2) of the inserting Act) by Finance Act 2002 (c. 23), s. 80, **Sch. 24 para. 4**) (with Sch. 23 para. 25))

Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 208.