



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 3

QUALIFYING EXPENDITURE

Demolition costs

26 Demolition costs

- (1) This section applies if—
 - (a) plant or machinery is demolished, and
 - (b) the last use of the plant or machinery was for the purposes of a qualifying activity.
- (2) If the person carrying on the qualifying activity replaces the plant or machinery with other plant or machinery then, for the purposes of this Part, the net cost of the demolition to that person is treated as expenditure incurred on the provision of the other plant or machinery.
- (3) If the person carrying on the qualifying activity does not replace the plant or machinery, the net cost of the demolition to that person is allocated to the appropriate pool for the chargeable period in which the demolition takes place.
- (4) In subsection (3)—

“the appropriate pool” means the pool to which the expenditure on the demolished plant or machinery has been or would be allocated in accordance with this Part, and

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 26. (See end of Document for details)

“the net cost of the demolition” means the amount, if any, by which the cost of the demolition exceeds any money received for the remains of the plant or machinery.

- (5) Subsection (3) is subject to section 164(4) ([^{F1}general decommissioning expenditure] before cessation of ring fence trade: election for special allowance) [^{F2}and sections 165A to 165E (restrictions on allowances: anti-avoidance).]

Textual Amendments

- F1** Words in s. 26(5) substituted (with effect in accordance with s. 109(7) of the amending Act) by [Finance Act 2008 \(c. 9\), Sch. 34 para. 3](#)
- F2** Words in s. 26(5) inserted (with effect in accordance with Sch. 32 para. 8 of the amending Act) by [Finance Act 2013 \(c. 29\), Sch. 32 para. 3](#)

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