



# Capital Allowances Act 2001

## 2001 CHAPTER 2

### [<sup>F1</sup>PART 3

#### INDUSTRIAL BUILDINGS ALLOWANCES

#### CHAPTER 2

#### INDUSTRIAL BUILDINGS

*Buildings in use for the purposes of a qualifying trade*

#### [<sup>F1</sup>274 Trades and undertakings which are “qualifying trades”

- (1) “Qualifying trade” means—
- (a) a trade of a kind described in Table A, or
  - (b) an undertaking of a kind described in Table B, if the undertaking is carried on by way of trade.

Table A

#### Trades which are “qualifying trades”

1.	<i>Manufacturing</i>	A trade consisting of manufacturing goods or materials.
2.	<i>Processing</i>	A trade consisting of subjecting goods or materials to a process. This includes (subject to section 276(3)) maintaining or repairing goods or materials.

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**Changes to legislation:** There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 274. (See end of Document for details)

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| 3. | <i>Storage</i>                     | <p>A trade consisting of storing goods or materials—</p> <p>(a) which are to be used in the manufacture of other goods or materials,</p> <p>(b) which are to be subjected, in the course of a trade, to a process,</p> <p>(c) which, having been manufactured or produced or subjected, in the course of a trade, to a process, have not yet been delivered to any purchaser, or</p> <p>(d) on their arrival in the United Kingdom from a place outside the United Kingdom.</p> |
| 4. | <i>Agricultural contracting</i>    | <p>A trade consisting of—</p> <p>(a) ploughing or cultivating land occupied by another,</p> <p>(b) carrying out any other agricultural operation on land occupied by another, or</p> <p>(c) threshing another's crops.</p> <p>For this purpose "crops" includes vegetable produce.</p>  |
| 5. | <i>Working foreign plantations</i> | <p>A trade consisting of working land outside the United Kingdom used for—</p> <p>(a) growing and harvesting crops,</p> <p>(b) husbandry, or</p> <p>(c) forestry.</p> <p>For this purpose "crops" includes vegetable produce and "harvesting crops" includes the collection of vegetable produce (however effected).</p>  |
| 6. | <i>Fishing</i>                     | <p>A trade consisting of catching or taking fish or shellfish.</p>  |

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7.	<i>Mineral extraction</i>	A trade consisting of working a source of mineral deposits. “Mineral deposits” includes any natural deposits capable of being lifted or extracted from the earth, and for this purpose geothermal energy is to be treated as a natural deposit. “Source of mineral deposits” includes a mine, an oil well and a source of geothermal energy.
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Table B

Undertakings which are “qualifying trades” if carried on by way of trade

1.	<i>Electricity</i>	An undertaking for the generation, transformation, conversion, transmission or distribution of electrical energy.
2.	<i>Water</i>	An undertaking for the supply of water for public consumption.
3.	<i>Hydraulic power</i>	An undertaking for the supply of hydraulic power.
4.	<i>Sewerage</i>	An undertaking for the provision of sewerage services within the meaning of the Water Industry Act 1991 (c. 56) [ <sup>F2</sup> or the Water and Sewerage Services (Northern Ireland) Order 2006].
5.	<i>Transport</i>	A transport undertaking.
6.	<i>Highway undertakings</i>	A highway undertaking, that is, so much of any undertaking relating to the design, building, financing and operation of roads as is carried on— (a) for the purposes of, or (b) in connection with, the exploitation of highway concessions.

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7.	<i>Tunnels</i>	A tunnel undertaking.
8.	<i>Bridges</i>	A bridge undertaking.
9.	<i>Inland navigation</i>	An inland navigation undertaking.
10.	<i>Docks</i>	A dock undertaking. A dock includes— (a) any harbour, and (b) any wharf, pier, jetty or other works in or at which vessels can ship or unship merchandise or passengers, other than a pier or jetty primarily used for recreation.

(2) Item 6 of Table B needs to be read with Chapter 9 (application of this Part to highway undertakings).]

#### **Textual Amendments**

- F1** Pt. 3 omitted (with effect in relation to chargeable periods beginning on or after 1.4.2011 for corporation tax purposes and 6.4.2011 for income tax purposes in accordance with ss. 84(1)(3)(4), 85, 86 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 84\(2\)](#) (with [Sch. 27](#))
- F2** Words in s. 274(1) added (N.I.) (1.4.2007) by [The Water and Sewerage Services \(Northern Ireland\) Order 2006 \(S.I. 2006/3336\)](#), art. 1(2), [Sch. 12 para. 44](#) (with arts. 8(8), 121(3), 307); S.R. 2007/194, art. 2(2), Sch. Pt. 2 (with [Sch. 2](#))

**Changes to legislation:**

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