



Capital Allowances Act 2001

2001 CHAPTER 2

PART 2

PLANT AND MACHINERY ALLOWANCES

CHAPTER 5

ALLOWANCES AND CHARGES

First-year allowances

52 First-year allowances

- (1) A person is entitled to a first-year allowance in respect of first-year qualifying expenditure if—
 - (a) the expenditure is incurred in a chargeable period to which this Act applies, and
 - (b) the person owns the plant or machinery at some time during that chargeable period.
- (2) Any first-year allowance is made for the chargeable period in which the first-year qualifying expenditure is incurred.
- (3) The amount of the allowance is a percentage of the first-year qualifying expenditure in respect of which the allowance is made, as shown in the Table—

Table

Amount of first-year allowances

<i>Type of first-year qualifying expenditure</i>	<i>Amount</i>
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Status: Point in time view as at 19/07/2007. This version of this provision has been superseded.

Changes to legislation: There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 52. (See end of Document for details)

Expenditure qualifying under section 40 100%
(expenditure incurred for Northern Ireland purposes by small or medium-sized enterprises)

Expenditure qualifying under section 44 40%
(expenditure incurred by small or medium-sized enterprises)

Expenditure qualifying under section 45 100%
(ICT expenditure incurred by small enterprises)

[^{F1}Expenditure qualifying under section 45A (expenditure on energy-saving plant or machinery) 100%]

[^{F2}Expenditure qualifying under section 45D (expenditure on cars with low CO₂ emissions) 100%]

[^{F3}Expenditure qualifying under section 45E (expenditure on plant or machinery for gas refuelling station) 100%]

[^{F4}Expenditure qualifying under section 45F (expenditure on plant and machinery for use wholly in a ring fence trade) which is long-life asset expenditure 24%]

Expenditure qualifying under section 45F (expenditure on plant and machinery for use wholly in a ring fence trade) other than long-life asset expenditure 100%]

[^{F5}Expenditure qualifying under section 45H (expenditure on environmentally beneficial plant or machinery) 100%]

[^{F6}In the case of expenditure qualifying under section 44, see also—

- (a) section 142 of the Finance Act 2004 (substitution of 50% in the case of expenditure incurred by a small enterprise in 2004-05 or financial year 2004);
- (b) section 30 of the Finance Act 2006 (substitution of 50% in the case of expenditure incurred by a small enterprise in 2006-07 or financial year 2006).]

[^{F7}(c) section 37 of the Finance Act 2007 (substitution of 50% in the case of expenditure incurred by a small enterprise in 2007-08 or financial year 2007).]

- (4) A person who is entitled to a first-year allowance may claim the allowance in respect of the whole or a part of the first-year qualifying expenditure.
- (5) Subsection (1) needs to be read with section 236 (first-year allowances in respect of additional VAT liabilities) and is subject to—

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section 205 (reduction of first-year allowance if plant or machinery provided partly for purposes other than those of qualifying activity),
section 210 (reduction of first-year allowance if it appears that a partial depreciation subsidy is or will be payable), and
sections 217, 223 and 241 (anti-avoidance: no first-year allowance in certain cases).

Textual Amendments

- F1** S. 52(3): words in Table added (with effect as mentioned in s. 65 of the amending Act) by [Finance Act 2001 \(c. 9\), s. 65, Sch. 17 para. 4](#)
- F2** S. 52(3): words in Table added (with effect as mentioned in s. 59 of the amending Act) by [Finance Act 2002 \(c. 23\), s. 59, Sch. 19 para. 5](#)
- F3** S. 52(3): words in Table added (with effect as mentioned in s. 61 of the amending Act) by [Finance Act 2002 \(c. 23\), s. 61, Sch. 20 para. 5](#)
- F4** S. 52(3): words in Table added (with effect as mentioned in s. 63 of the amending Act) by [Finance Act 2002 \(c. 23\), s. 63, Sch. 21 para. 6](#)
- F5** Words in s. 52(3) added (with effect in accordance with s. 167 of the amending Act) by [Finance Act 2003 \(c. 14\), Sch. 30 para. 5](#)
- F6** Words in s. 52(3) substituted (19.7.2006) by [Finance Act 2006 \(c. 25\), s. 30\(3\)](#)
- F7** S. 52(3)(c) inserted (19.7.2007) by [Finance Act 2007 \(c. 11\), s. 37\(3\)](#)

Modifications etc. (not altering text)

- C1** S. 52(3) modified (temp.) (with effect in accordance with s. 30(2) of the amending Act) by [Finance Act 2006 \(c. 25\), s. 30\(1\)](#)

Status:

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Changes to legislation:

There are currently no known outstanding effects for the Capital Allowances Act 2001, Section 52.