

Status: Point in time view as at 05/10/2004.

Changes to legislation: Energy Act 2004, SCHEDULE 4 is up to date with all changes known to be in force on or before 16 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

SCHEDULES

SCHEDULE 4

Section 27

SUPPLEMENTAL TAXATION PROVISIONS FOR EXEMPT ACTIVITIES

Exempt activities to be separate trade

- 1 Exempt activities carried on—
- (a) by the NDA, or
 - (b) by a company while it is an NDA company,
- are to be treated for corporation tax purposes as a separate trade distinct from all other activities carried on by the NDA or (as the case may be) that company.

Commencement Information

- II** Sch. 4 para. 1 in force at 5.10.2004 by S.I. 2004/2575, art. 2(1), Sch. 1

Accounting periods of companies carrying on exempt activities

- 2 (1) An accounting period of the NDA or of an NDA company ends (if it would not otherwise do so)—
- (a) where it begins to carry on exempt activities, immediately before it begins to carry them on; and
 - (b) where it ceases to carry on such activities, immediately after it so ceases.
- (2) An accounting period of a company which—
- (a) becomes an NDA company, and
 - (b) is carrying on exempt activities immediately after becoming such a company, ends (if it would not otherwise do so) when it becomes an NDA company.
- (3) An accounting period of a company which—
- (a) ceases to be an NDA company, and
 - (b) is carrying on exempt activities immediately before ceasing to be such a company, ends (if it would not otherwise do so) when it ceases to be an NDA company.

Commencement Information

- I2** Sch. 4 para. 2 in force at 5.10.2004 by S.I. 2004/2575, art. 2(1), Sch. 1

Charges on income in connection with exempt activities

- 3 No charges on income incurred—
- (a) by the NDA, or

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- (b) by an NDA company,
 in connection with the carrying on of exempt activities are to be deductible from its total profits under section 338 of the Income and Corporation Taxes Act 1988 (c. 1) (deduction of charges on income).

Commencement Information

I3 Sch. 4 para. 3 in force at 5.10.2004 by S.I. 2004/2575, art. 2(1), Sch. 1

Finance leasing of plant and machinery

- 4 (1) This paragraph applies where there is a finance lease in the case of which—
- (a) the lessor is the NDA or an NDA company;
 - (b) the lessee is the NDA or an NDA company;
 - (c) the lessee is carrying on exempt activities; and
 - (d) the machinery or plant to which the lease relates is used by the lessee for the purposes of those activities.
- (2) No allowance under Part 2 of the Capital Allowances Act 2001 (c. 2) (plant and machinery allowances) shall be available to the lessor in respect of qualifying expenditure on the provision of the plant or machinery for leasing under the lease.
- (3) Expressions used in this paragraph and in Chapter 17 of Part 2 of the Capital Allowances Act 2001 (anti-avoidance provisions relating to plant and machinery allowances) have the same meanings in this paragraph as in that Chapter.

Commencement Information

I4 Sch. 4 para. 4 in force at 5.10.2004 by S.I. 2004/2575, art. 2(1), Sch. 1

Mixed use of industrial buildings

- 5 An identifiable part of a building or structure used for the purposes of exempt activities carried on by the NDA or an NDA company is to be treated for the purposes of Part 3 of the Capital Allowances Act 2001 (industrial buildings allowances) as used otherwise than as an industrial building.

Commencement Information

I5 Sch. 4 para. 5 in force at 5.10.2004 by S.I. 2004/2575, art. 2(1), Sch. 1

Residue of qualifying expenditure on industrial buildings

- 6 (1) This paragraph applies where—
- (a) the NDA disposes of the relevant interest in an industrial building; or
 - (b) an NDA company carrying on exempt activities disposes of the relevant interest in an industrial building.
- (2) Section 313 and Chapter 8 of Part 3 of the Capital Allowances Act 2001 (c. 2) (meaning of “residue of qualifying expenditure” and writing off of qualifying

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expenditure) apply to determine the residue of expenditure in the hands of the person who acquires the relevant interest as if—

- (a) exempt activities carried on by the NDA or the NDA company had not been exempt activities; and
 - (b) all writing down allowances, and balancing allowances and charges, had been made as could have been made but for those activities being exempt activities.
- (3) In this paragraph “relevant interest” and “industrial building” have the same meanings as in Part 3 of the Capital Allowances Act 2001.
- (4) References in this paragraph to the NDA or an NDA company disposing of a relevant interest in an industrial building include references to the transfer in accordance with a nuclear transfer scheme of such an interest—
- (a) from the NDA or that company,
 - (b) to a person who is neither the NDA nor an NDA company.

Commencement Information

16 Sch. 4 para. 6 in force at 5.10.2004 by [S.I. 2004/2575](#), art. 2(1), [Sch. 1](#)

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