



Finance Act 2007

2007 CHAPTER 11

PART 3

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

Capital allowances

36 Industrial and agricultural buildings allowances

- (1) No balancing adjustment is to be made under Part 3 of CAA 2001 (industrial buildings allowances) if—
 - (a) the qualifying expenditure in question is not qualifying enterprise zone expenditure for the purposes of that Part, and
 - (b) the balancing event in question is a post-commencement balancing event, and in paragraph (b) “post-commencement balancing event” means any balancing event for the purposes of that Part which occurs on or after 21st March 2007, but does not include an event which occurs before 1st April 2011 in pursuance of a relevant pre-commencement contract (see subsection (7)).
- (2) For the purposes of section 311 of that Act (calculation of allowance after sale of relevant interest) the amount of the residue of qualifying expenditure immediately after a post-commencement relevant event is taken to be the amount of the residue of qualifying expenditure immediately before that event.
- (3) In subsection (2)—
 - “qualifying expenditure” does not include any expenditure which is qualifying enterprise zone expenditure for the purposes of that Part, and
 - “post-commencement relevant event” means any relevant event within the meaning of section 311 of that Act which occurs on or after 21st March 2007, but does not include an event which occurs before 1st April 2011 in pursuance of a relevant pre-commencement contract.

Status: Point in time view as at 19/07/2007.

Changes to legislation: Finance Act 2007, Cross Heading: Capital allowances is up to date with all changes known to be in force on or before 30 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)

- (4) No balancing adjustment is to be made under Part 4 of that Act (agricultural buildings allowances) if the balancing event in question is a post-commencement balancing event.
- (5) For the purposes of section 376 of that Act (calculation of allowance after acquisition) the amount of the residue of qualifying expenditure immediately after a post-commencement balancing event is taken to be the amount of the residue of qualifying expenditure immediately before that event.
- (6) In subsections (4) and (5) “post-commencement balancing event” means any balancing event under section 381 of that Act (as a result of an election made in accordance with section 382 of that Act) which occurs on or after 21st March 2007, but does not include an event which occurs before 1st April 2011 in pursuance of a relevant pre-commencement contract.
- (7) For the purposes of this section a contract is “a relevant pre-commencement contract” if—
 - (a) the contract is a contract in writing made before 21st March 2007,
 - (b) the contract is unconditional or its conditions have been satisfied before that date,
 - (c) no terms remain to be agreed on or after that date, and
 - (d) the contract is not varied in a significant way on or after that date.

37 Temporary increase in first-year capital allowances for small enterprises

- (1) The amount of a first-year allowance under section 44 of CAA 2001 (expenditure incurred by small or medium-sized enterprises) is to be determined, in the case of expenditure to which this subsection applies, as if the percentage specified in the entry relating to that section in the Table in section 52(3) of that Act were 50%.
- (2) Subsection (1) applies to expenditure incurred by a small enterprise (within the meaning of section 44 of that Act) in the period of 12 months beginning with—
 - (a) 1st April 2007, if the small enterprise is within the charge to corporation tax, or
 - (b) 6th April 2007, if the small enterprise is within the charge to income tax.
- (3) Accordingly, in section 52(3) of CAA 2001, in the sentence following the Table, insert at the end—
 - “(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).”

Status:

Point in time view as at 19/07/2007.

Changes to legislation:

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