



Finance Act 2008

2008 CHAPTER 9

PART 3

CAPITAL ALLOWANCES

Plant and machinery: writing-down allowances and pools

80 Main rate of writing down allowance

(1) Section 56 of CAA 2001 (amount of allowances and charges) is amended as follows.

(2) In subsection (1), for “25%” substitute “20%”.

(3) After that subsection insert—

“(1A) But in relation to qualifying expenditure incurred wholly for the purposes of a ring fence trade in respect of which tax is chargeable under section 501A of ICTA (supplementary charge in respect of ring fence trades), the amount of the writing-down allowance to which a person is entitled for a chargeable period is 25% of the amount by which AQE exceeds TDR.”

(4) In subsection (2), for “Subsection (1) is” substitute “Subsections (1) and (1A) are”.

^{F1}(5)

^{F1}(6)

^{F1}(7)

(8) The amendments made by this section have effect in relation to chargeable periods—

- (a) beginning on or after the relevant date, and
- (b) beginning before, and ending on or after, the relevant date.

(9) But in respect of a chargeable period within subsection (8)(b), they apply as if in—

- (a) section 56(1) of CAA 2001,
- (b) the provisions listed in subsection (6), and

Changes to legislation: Finance Act 2008, Section 80 is up to date with all changes known to be in force on or before 18 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) View outstanding changes

(c) paragraph 99(5) of Schedule 22 to FA 2000,
the references to 20% were to x%.

(10) For the purposes of subsection (9)—

$$x = \left(25 \times \frac{BRD}{CP}\right) + \left(20 \times \frac{ARD}{CP}\right)$$

Where x would be a figure with more than 2 decimal places, it is to be rounded up to the nearest second decimal place.

(11) In subsection (10)—

BRD is the number of days in the chargeable period before the relevant date,
ARD is the number of days in the chargeable period on and after the relevant date, and
CP is the number of days in the chargeable period.

(12) The relevant date is—

- (a) for corporation tax purposes, 1 April 2008, and
- (b) for income tax purposes, 6 April 2008.

Textual Amendments

- F1** S. 80(5)-(7) omitted (with effect in accordance with s. 57(8)-(9) of the amending Act) by virtue of [Finance Act 2011 \(c. 11\), s. 57\(7\)](#)

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Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 41 para. 6(1A) inserted by [2015 c. 11 Sch. 20 para. 10\(2\)](#)
- Sch. 41 para. 6A(A1)(1) substituted for Sch. 41 para. 6A(1) by [2015 c. 11 Sch. 20 para. 11\(2\)](#)