



# Finance Act 2008

## 2008 CHAPTER 9

### PART 3

#### CAPITAL ALLOWANCES

##### *Plant and machinery: writing-down allowances and pools*

### **83 Existing long-life asset expenditure treated as special rate expenditure**

- (1) This section applies in relation to long-life asset expenditure—
  - (a) incurred before the relevant date, and
  - (b) allocated to a pool in a chargeable period beginning before the relevant date.
- (2) In relation to a transitional chargeable period, section 102 of CAA 2001 applies as if the percentage figure specified in subsection (1) of that section were x%, where—

$$x = \left(6 \times \frac{BRD}{CP}\right) + \left(10 \times \frac{ARD}{CP}\right)$$

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

- (3) In subsection (2)—
  - 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.
- (4) Any unrelieved qualifying expenditure in a long-life asset pool at the end of—
  - (a) a transitional chargeable period, or
  - (b) a chargeable period which ends immediately before the relevant date,is to be carried forward to the special rate pool.

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*Status: Point in time view as at 01/04/2009.*

*Changes to legislation: Finance Act 2008, Section 83 is up to date with all changes known to be in force on or before 25 June 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)*

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- (5) In subsequent chargeable periods, expenditure so carried forward is to be treated for the purposes of CAA 2001 as if it were special rate expenditure carried forward in the special rate pool from the chargeable period mentioned in subsection (4).
- (6) Any unrelieved qualifying expenditure in a single asset pool at the end of—
  - (a) a transitional chargeable period, or
  - (b) a chargeable period which ends immediately before the relevant date,is in subsequent chargeable periods to be treated for the purposes of CAA 2001 as if it were special rate expenditure carried forward in the single asset pool from that chargeable period.
- (7) Where expenditure is treated as special rate expenditure because of this section, for the purposes of section 104E of CAA 2001—
  - (a) the reference in subsection (1)(a) of that section to section 104D of CAA 2001 includes a reference to section 102 of that Act (writing-down allowances in respect of long-life asset expenditure), and
  - (b) the allowances that could have been made to the taxpayer in respect of the expenditure include allowances that could have been made under section 102 of that Act for chargeable periods before that in which the expenditure was first treated as special rate expenditure.
- (8) A “transitional chargeable period” is one which begins before, and ends on or after, the relevant date.
- (9) “The relevant date” means—
  - (a) for corporation tax purposes, 1 April 2008, and
  - (b) for income tax purposes, 6 April 2008.
- (10) Expressions used in this section and in CAA 2001 have the same meaning in this section as in that Act.

**Status:**

Point in time view as at 01/04/2009.

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