



# Finance Act 2011

## 2011 CHAPTER 11

### PART 1

#### CHARGES, RATES, ALLOWANCES ETC

##### *Capital allowances*

#### **12 Short-life assets**

- (1) Part 2 of CAA 2001 (plant and machinery allowances) is amended as follows.
- (2) In section 86 (short-life asset pool)—
  - (a) in subsection (2), for “four-year” (in each place) substitute “relevant”,
  - (b) for subsection (3) substitute—
    - “(3) In this Chapter “the relevant cut-off” means—
      - (a) if any of the qualifying expenditure incurred on the provision of the short-life asset was incurred before the designated day, the fourth anniversary of the end of the relevant chargeable period, and
      - (b) in any other case, the eighth anniversary of the end of the relevant chargeable period.
- (3A) In subsection (3)—
  - “the designated day” means—
    - (a) for corporation tax purposes, 1 April 2011, and
    - (b) for income tax purposes, 6 April 2011;
  - “the relevant chargeable period” means—
    - (a) the chargeable period in which the qualifying expenditure was incurred on the provision of the short-life asset, or

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*Status: This is the original version (as it was originally enacted).*

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- (b) if the qualifying expenditure was incurred in different chargeable periods, the first chargeable period in which any of the qualifying expenditure was incurred.”, and
- (c) in subsection (4), for “four-year” substitute “relevant”.
- (3) In section 65 (the final chargeable period), in subsection (3), for “four-year” substitute “relevant”.
- (4) In section 87 (short-life assets provided for leasing), in subsection (1)—
  - (a) in paragraph (b), for “four-year” substitute “relevant”, and
  - (b) in paragraph (c), for “4 years” substitute “8 years”.
- (5) In section 89 (disposal to connected person), in subsections (1) and (5), for “four-year” (in each place) substitute “relevant”.
- (6) In Schedule 1 (defined expressions)—
  - (a) at the appropriate place insert—
 

“relevant cut-off (in Chapter 9 of Part 2)	section 86(3)”,
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  - and
  - (b) omit the entry for “four-year cut-off (in Chapter 9 of Part 2)”.