

*Status: Point in time view as at 16/11/2017.*

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2013, SCHEDULE 1. (See end of Document for details)*

## SCHEDULES

### SCHEDULE 1

Section 7

#### ANNUAL INVESTMENT ALLOWANCE: PERIODS STRADDLING 1 JANUARY 2013 OR 1 JANUARY 2015

##### *Chargeable periods which straddle 1 January 2013*

- 1 (1) This paragraph applies in relation to a chargeable period which begins before 1 January 2013 and ends on or after that date [<sup>F1</sup>but not later than the specified date] (“the first straddling period”).
- [<sup>F2</sup>(1A) The specified date” means—
- (a) for the purposes of corporation tax, 31 March 2014, and
  - (b) for the purposes of income tax, 5 April 2014.]
- (2) The maximum allowance under section 51A of CAA 2001 for the first straddling period is the sum of each maximum allowance that would be found if—
- (a) so much (if any) of the first straddling period as falls before the relevant date,
  - (b) so much of the first straddling period as falls on or after the relevant date but before 1 January 2013, and
  - (c) so much of the first straddling period as falls on or after 1 January 2013,
- were each treated as separate chargeable periods.
- (3) But this is subject to paragraphs 2 and 3.
- (4) In this Schedule “the relevant date” means—
- (a) for the purposes of corporation tax, 1 April 2012;
  - (b) for the purposes of income tax, 6 April 2012.

#### Textual Amendments

**F1** Words in Sch. 1 para. 1(1) inserted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 2 para. 7\(2\)\(a\)](#)

**F2** Sch. 1 para. 1(1A) inserted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 2 para. 7\(2\)\(b\)](#)

##### *Straddling period beginning before the relevant date*

- 2 (1) This paragraph applies where the first straddling period begins before the relevant date.
- (2) So far as concerns expenditure incurred before the relevant date, the maximum allowance under section 51A of CAA 2001 for the first straddling period is what would have been the maximum allowance for that period if the amendment made by section 7(1) had not been made.

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- (3) So far as concerns expenditure incurred on or after the relevant date but before 1 January 2013, the maximum allowance under section 51A of CAA 2001 for the first straddling period is—

$$A - B$$

- (4) In sub-paragraph (3)—
  - (a) “A” means the amount that would have been the maximum allowance for the period beginning on the relevant date and ending at the end of the first straddling period if—
    - (i) that period had been a separate chargeable period, and
    - (ii) the amendment made by section 7(1) had not been made;
  - (b) “B” means the amount (if any) by which—
    - (i) the AIA expenditure incurred in the period mentioned in paragraph 1(2)(a) in respect of which a claim for an annual investment allowance is made, exceeds
    - (ii) the maximum allowance under section 51A of CAA 2001 for that period if it were treated as a separate chargeable period.
- (5) So far as concerns expenditure incurred on or after 1 January 2013, the maximum allowance under section 51A of CAA 2001 for the first straddling period is the sum of each maximum allowance that would be found if the period mentioned in paragraph 1(2)(b) and the period mentioned in paragraph 1(2)(c) were each treated as separate chargeable periods.

*First straddling period beginning on or after the relevant date*

- 3 (1) This paragraph applies where no part of the first straddling period falls within paragraph 1(2)(a).
- (2) So far as concerns expenditure incurred before 1 January 2013, the maximum allowance under section 51A of CAA 2001 for the first straddling period is to be calculated as if the amendment made by section 7(1) had not been made.

*Chargeable periods which straddle 1 January 2015*

F<sup>3</sup><sub>4</sub> .....

**Textual Amendments**  
**F3** Sch. 1 para. 4 omitted (17.7.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 2 para. 7\(3\)](#)

*Operation of annual investment allowance where restrictions apply*

- 5 (1) Paragraphs 1 [F<sup>4</sup> to 3 ] also apply for the purpose of determining the maximum allowance under section 51K of CAA 2001 (operation of annual investment allowance where restrictions apply) in a case where one or more chargeable periods in which the relevant AIA qualifying expenditure is incurred are chargeable periods within paragraph 1(1) F<sup>5</sup>....

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- (2) There is to be taken into account for those purposes only chargeable periods of one year or less (whether or not they are chargeable periods within paragraph 1(1) <sup>F6</sup> ...), and, if there is more than one such period, only that period which gives rise to the greatest maximum allowance.
- (3) For the purposes of sub-paragraph (2) any chargeable period which—
- (a) is longer than a year, and
  - (b) ends in the tax year 2012-13, 2013-14, [<sup>F7</sup> or 2014-15 ],
- is to be treated as being a chargeable period of one year ending at the same time as it actually ends.
- (4) Section 11(11) of FA 2011 is repealed.
- (5) That repeal has effect in relation to cases where one or more chargeable periods in which the relevant AIA qualifying expenditure is incurred are chargeable periods within paragraph 1(1).
- (6) Nothing in this paragraph affects the operation of sections 51M and 51N of CAA 2001.

#### Textual Amendments

- F4** Words in Sch. 1 para. 5(1) substituted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 2 para. 7\(4\)\(a\)\(i\)](#)
- F5** Words in Sch. 1 para. 5(1) omitted (17.7.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 2 para. 7\(4\)\(a\)\(ii\)](#)
- F6** Words in Sch. 1 para. 5(2) omitted (17.7.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), [Sch. 2 para. 7\(4\)\(b\)](#)
- F7** Words in Sch. 1 para. 5(3)(b) substituted (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 2 para. 7\(4\)\(c\)](#)

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