

Finance Act, 2008

Section 85 - Phasing out of allowances before abolition: Section 85 TABLE

1) For a chargeable period to which this section applies ("a transitional chargeable period"), a person's entitlement to a writing-down allowance under Part 3 or 4 of CAA 2001 in respect of qualifying expenditure is to be determined in accordance with this section. (2) This section does not apply to a writing-down allowance in respect of qualifying enterprise zone expenditure. (3) If the whole of a transitional chargeable period falls within a financial year listed in column 1 of the table (for corporation tax purposes) or a tax year listed in column 2 of the table (for income tax purposes), the writing-down allowance to which the person is entitled for that chargeable period is- where- WDA is the writing-down allowance to which the person would be entitled for the chargeable period apart from this section, and P is the percentage specified in relation to that year in column 3 of the table. $DCPY \times WDA \times P$ DCP (4) If subsection (3) does not apply in relation to a transitional chargeable period, the writing-down allowance to which the person is entitled for that chargeable period is to be determined by- (a) calculating the apportioned writing-down allowance for each financial year (for corporation tax purposes) or tax year (for income tax purposes) in which part of the chargeable period falls, and (b) adding the amounts of the apportioned writing-down allowance for each of those years. (5) For the purposes of Part 3 of CAA 2001 (industrial buildings), the apportioned writing-down allowance for a financial year or tax year in which part of a transitional chargeable period falls is- where- DCPY is the number of days in the chargeable period which fall in that year, DCP is the number of days in the chargeable period, WDA is the writing-down allowance to which the person would be entitled for the chargeable period apart from this section, and P is the percentage specified in relation to that year in column 3 of the table. $DCPY \times WDA \times P$ DCP (6) For the purposes of Part 4 of CAA 2001 (agricultural buildings), the apportioned writing-down allowance for a financial year or tax year in which part of a transitional chargeable period falls is- where- RDCPY is the number of relevant days in the chargeable period which fall in that year, RDCP is the number of relevant days in the chargeable period, WDA is the writing-down allowance to which the person would be entitled for the chargeable period apart from this section, and P is the percentage specified in relation to that year in column 3 of the table. $DCPB \times WDA$ DCP (7) The relevant days in the chargeable period are the days in that period for which the person was entitled to the relevant interest in relation to the qualifying expenditure (within the meaning of Part 4 of CAA 2001). (8) For the purposes of CAA 2001, the residue of the qualifying expenditure at any time is to be calculated as if the writing-down allowance made to a person under Part 3 or 4 of that Act in respect of the qualifying expenditure for any transitional chargeable period were the writing-down allowance which would have been made apart from this section. (9) This section applies- (a) for corporation tax purposes, to chargeable periods which begin before the relevant date and end on or after 1 April 2008, and (b) for income tax purposes, to chargeable periods which begin before the relevant date and end on or after 6 April 2008. (10) In this section references to the table are to the following table- (11) In this section- "the relevant date" has the same meaning as in section 84, and "qualifying expenditure", in relation to a writing-down allowance under Part 3 or 4 of CAA 2001, means the qualifying expenditure in respect of which the allowance is made.