

**Finance Act, 2008**

**Section 87 - Phasing out of industrial buildings allowance: anti-avoidance**

1) In CAA 2001, after section 313 insert- "313A Calculation of allowance after sale of relevant interest: anti-avoidance (1) This section applies where- (a) there is a sale of the relevant interest in the building which is a balancing event to which section 314 applies, (b) the buyer and seller have different chargeable periods, (c) the control test (within the meaning of section 567) is met, and (d) the purpose, or one of the main purposes, of the sale is the obtaining of a tax advantage by the buyer under this Part. (2) The writing-down allowance to which the buyer is entitled for the chargeable period in which the sale takes place is-  $D1 \times WDA \times CP$  where- DI is the number of days in the chargeable period for which the buyer is entitled to the relevant interest, CP is the number of days in the chargeable period, and WDA is the writing-down allowance to which the buyer would be entitled apart from this section." (2) The amendment made by subsection (1) has effect in relation to the sale of a relevant interest on or after 12 March 2008, except for such a sale in pursuance of a relevant pre-commencement contract (and for this purpose "sale" has the same meaning as for the purposes of Part 3 of CAA 2001). (3) A contract is a relevant pre-commencement contract if- (a) the contract is a contract in writing made before 12 March 2008, (b) the contract is unconditional or its conditions have been satisfied before that date, (c) no terms remain to be agreed on or after that date, and (d) the contract is not varied in a significant way on or after that date.