



Finance Act 2019

2019 CHAPTER 1

PART 1

DIRECT TAXES

Capital allowances

31 Special rate expenditure on plant and machinery

- (1) Part 2 of CAA 2001 (plant and machinery allowances) is amended as follows.
- (2) In section 104D(1) (writing-down allowances in respect of special rate expenditure) for “8%” substitute “6%”.
- (3) Accordingly, in—
 - (a) section 56(2)(a),
 - (b) the heading of section 104D, and
 - (c) section 104E(1)(a),for “8%” substitute “6%”.
- (4) The amendments made by subsections (2) and (3) have effect in relation to chargeable periods beginning on or after the relevant day.
- (5) In relation to a chargeable period that begins before and ends on or after the relevant day, section 104D(1) of CAA 2001 has effect as if the reference to 8% was a reference to X%.
- (6) For the purposes of subsection (5), X is—

$$\left(8 \times \frac{\text{BRD}}{\text{CP}}\right) + \left(6 \times \frac{\text{ARD}}{\text{CP}}\right)$$

where—

BRD is the number of days in the chargeable period before the relevant day,

Status: This is the original version (as it was originally enacted).

ARD is the number of days in the chargeable period on or after the relevant day, and

CP is the number of days in the chargeable period.

- (7) Where X would be a figure with more than 2 decimal places it is to be rounded up to the nearest second decimal place.
- (8) In this section “the relevant day” is—
- (a) for corporation tax purposes, 1 April 2019, and
 - (b) for income tax purposes, 6 April 2019.