



House of Commons

Draft

PUBLIC BILL COMMITTEE

FINANCE BILL

Contribution allowances: plant and machinery

Mr David Gauke

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To move the following Clause:—

- (1) Section 538 of CAA 2001 (contribution allowances: plant and machinery) is amended as follows.
- (2) In subsection (1), omit the “and” at the end of paragraph (a) and after that paragraph insert—
 - “(aa) C’s contribution is to expenditure on the provision of plant or machinery, and”.
- (3) In subsection (2)—
 - (a) in paragraph (a), for “asset provided by means of C’s contribution” substitute “plant or machinery”,
 - (b) in paragraph (b), for “asset” substitute “plant or machinery”, and
 - (c) in paragraph (c)—
 - (i) for “asset” substitute “plant or machinery”, and
 - (ii) after “times” insert “plant or machinery”.
- (4) The amendments made by this section have effect in relation to expenditure pooled, and to claims made, on or after 29 May 2013 (“the commencement date”).
- (5) In relation to such expenditure and claims, when determining for the purposes of section 536(3)(a) of CAA 2001 whether an allowance can be made under Chapter 2 of Part 11 of that Act, the amendments made by this section are to be treated as always having had effect.
- (6) Nothing in this section applies to a claim by a person for a contribution allowance under Part 2 of CAA 2001 in respect of a contribution made before the commencement date.
- (7) Subsection (8) applies if—
 - (a) expenditure which a person has been regarded as having incurred (despite section 532(1) of CAA 2001) by virtue of section 536(1) has been pooled by virtue of section 53—
 - (i) on or after 1 January 2013 but before the commencement date, or
 - (ii) before 1 January 2013 in circumstances where no claim was made in respect of the expenditure before that date, and

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- (b) had the amendments made by this section had effect at the time the expenditure was incurred, that person would not have been regarded as having incurred that expenditure (“the relevant expenditure”).
- (8) Part 2 of CAA 2001 has effect as if an event had occurred as a result of which the person is required to bring into account as a disposal receipt under that Part, for the chargeable period in which the commencement date falls, a disposal value of an amount equal to E-A.
- (9) For the purposes of subsection (8)—
 - E is the amount of the relevant expenditure, and
 - A is the total amount of writing-down allowances made in respect of the relevant expenditure.
- (10) For the purpose of calculating A, the total amount of writing-down allowances made in respect of expenditure on an item of plant or machinery is to be determined as if that item were the only item of plant or machinery in relation to which Chapter 5 of Part 2 of CAA 2001 had effect.
- (11) The event mentioned in subsection (8) is not to be regarded as a disposal event for the purposes of section 60(3) of CAA 2001.’.