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HMRC internal manual

Corporate Intangibles Research and Development Manual

From: [HM Revenue & Customs](#)
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CIRD25180 - Intangible assets excluded from CTA09/PART8 as special tax rules apply: election in respect of capital expenditure on computer software: approach and procedure

CTA09/PART8/S815

Tax relief for the depreciation of computer software may be available more quickly under the capital allowances code (see CA23400 onwards) than it is under CTA09/PART8. To permit companies to

preserve the benefit of capital allowances, S815 allows companies to make an election in respect of capital expenditure on computer software. The election makes capital allowance treatment available.

Receipts from the realisation of the software, which are not brought into account under the capital allowances rules, are recognised as taxable income under CTA09/PART8.

The election:

- must specify the expenditure to which it relates;
- must be made in writing;
- must be made within two years of the end of the accounting period in which the expenditure was incurred; and
- cannot be revoked.

The effect of the election is described in [CIRD25190 \(https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird25190\)](https://www.gov.uk/hmrc-internal-manuals/corporate-intangibles-research-and-development-manual/cird25190).

For expenditure on software used for the purpose of a life assurance business, see the Life Assurance Manual (LAM07120).

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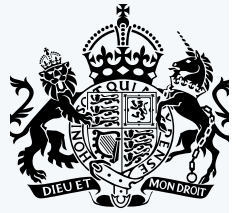
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