

Treatment of grants. ITA67 s254(4)(b), s303(3), FA86 s52(1), FA87 s25; CTA76 s 21(1) and Sch1 par1, par17 and par49; FA93 s34(1)(a) and (b) and (3) 317.—(1) In this section—

“food processing trade” means a trade which consists of or includes the manufacture of processed food;

“processed food” means goods manufactured in the State in the course of a trade by a company, being goods which—

(a) are intended for human consumption as a food, and

(b) have been manufactured by a process involving the use of machinery or plant whereby the goods produced by the application of that process differ substantially in form and value from the materials to which the process has been applied and whereby, without prejudice to the generality of the foregoing, the process does not consist primarily of—

(i) the acceleration, retardation, alteration or application of a natural process, or

(ii) the application of methods of preservation, pasteurisation or any similar treatment;

“qualifying machinery or plant” means machinery or plant used solely in the course of a process of manufacture whereby processed food is produced.

(2) Subject to subsection (3), expenditure shall not be regarded for any of the purposes of this Part, other than sections 283 and 284, as having been incurred by a person in so far as the expenditure has been or is to be met directly or indirectly—

(a) in relation to expenditure incurred before the 6th day of May, 1993, by the State, by any board established by statute or by any public or local authority, and

(b) in relation to expenditure incurred on or after the 6th day of May, 1993, by the State or by any person other than the first-mentioned person.

(3) (a) Subject to paragraph (b) and subsection (4), where an allowance is to be made for the purposes of income tax or corporation tax, as the case may be, under section 283 or 284 and the capital expenditure incurred on the provision of the machinery or plant in respect of which the allowance is to be made was incurred on or after the 29th day of January, 1986, the following provisions shall apply:

(i) expenditure shall not be regarded as having been incurred by a person in so far as the expenditure has been or is to be met directly or indirectly—

(I) in relation to expenditure incurred before the 6th day of May, 1993, by the State, by any board established by statute or by any public or local authority, and

(II) in relation to expenditure incurred on or after the 6th day of May, 1993, by the State or by any person other than the first-mentioned person, and

(ii) the actual cost of any machinery or plant to any person shall for the purposes of section 284 be taken to be the amount of capital expenditure incurred on the provision of such machinery or plant less any expenditure referred to in subparagraph (i).

(b) Paragraph (a) shall not apply in relation to any capital expenditure which is met or is to be met in the manner mentioned in paragraph (a)(i)—

(i) under the terms of an agreement finally approved on or before the 29th day of January, 1986, by a Department of State, any board established by statute or any public or local authority, or

(ii) under the terms of an agreement which—

(I) was the subject of negotiations which were in progress on the 29th day of January, 1986, with a Department of State, any board established by statute or any public or local authority, and

(II) was finally approved by such Department, board or authority not later than the 31st day of December, 1986.

(4) (a) Subsection (3) shall not apply where an allowance is to be made under section 283 or 284 in taxing a food processing trade carried on by a company and the capital expenditure in respect of which the allowance is to be made was incurred by that company and was so incurred in respect of qualifying machinery or plant.

(b) The reference in paragraph (a) to expenditure incurred by a company shall not include any expenditure which it is deemed to have incurred in accordance with section 299.