

Extent to which capital allowances to be taken into account for purposes of section 392. ITA67 s319; FA97 s146(1) and Sch9 Ptl par1(24) 393.—(1) The capital allowances for any year of assessment shall be taken into account under section 392 (1) only if and in so far as such capital allowances are not required to offset balancing charges for the year, and relief shall not be given by reference to the capital allowances so taken into account in respect of an amount greater than the amount non-effective in the year of assessment for which the claim is made.

(2) For the purposes of subsection (1), the capital allowances for any year of assessment shall be treated as required to offset balancing charges for the year up to the amount on which the balancing charges are to be made after deducting from that amount the amount, if any, of capital allowances for earlier years which is carried forward to that year and would, without the balancing charges, be non-effective in that year.