

Restriction on use of capital allowances on holiday cottages. FA92 s25 405.—(1) Subject to subsection (2), where on or after the 24th day of April, 1992, a person incurs capital expenditure on the acquisition or construction of a building or structure which is or is to be an industrial building or structure by virtue of being a holiday cottage within the meaning of section 268, and an allowance is to be made in respect of that expenditure under section 271 or 272—

(a) neither section 305 (1)(b) nor section 308 (4) shall apply as respects that allowance, and

(b) neither section 381 nor section 396 (2) shall apply as respects the whole or part (as the case may be) of any loss which would not have arisen but for the making of that allowance.

(2) This section shall not apply to expenditure incurred before the 6th day of April, 1993, on the acquisition or construction of a building or structure (in this subsection referred to as “the holiday cottage”) which is or is to be an industrial building or structure by virtue of being a holiday cottage within the meaning of section 268 if before the 24th day of April, 1992—

(a) a binding contract in writing for the construction of the holiday cottage was entered into, or

(b) (i) a binding contract in writing for the purchase or lease of land for the construction of the holiday cottage was entered into, and

(ii) an application for planning permission for the construction of the holiday cottage was received by a planning authority.