

Manner of making allowances and charges. ITA67 s254(1)(d) and (e) and s267; CTA76 s21(1) and Sch1 par17 and par26 278.—(1) Except in the cases mentioned in this section, any allowance or charge made to or on a person under the preceding provisions of this Part shall be made to or on such person in taxing such person's trade or, as the case may require, in charging such person's income under Case V of Schedule D.

(2) An industrial building allowance shall be made to a person by discharge or repayment of tax if such person's interest in the building or structure is subject to any lease when the expenditure is incurred or becomes subject to any lease before the building or structure is first used for any purpose and, where it is so made, section 304 (4) shall not apply; but this subsection shall not apply as respects income chargeable under Case V of Schedule D.

(3) A writing-down allowance shall be made to a person for a chargeable period by means of discharge or repayment of tax if such person's interest is subject to any lease at the end of that chargeable period or its basis period; but this subsection shall not apply as respects income chargeable under Case V of Schedule D.

(4) A balancing allowance shall be made to a person by means of discharge or repayment of tax if such person's interest is subject to any lease immediately before the event giving rise to the allowance; but this subsection shall not apply as respects income chargeable under Case V of Schedule D.

(5) A balancing charge shall be made on a person under Case IV of Schedule D if such person's interest is subject to any lease immediately before the event giving rise to the charge and the corresponding income is chargeable under that Case.

(6) Any allowance which under subsections (1) to (4) is to be made otherwise than in taxing a trade shall be available primarily against the following income—

(a) where the income (whether arising by means of rent or receipts in respect of premises or easements or otherwise) from the industrial building or structure in respect of the capital expenditure on which the allowance is given is chargeable under Case V of Schedule D, against income chargeable under that Case,

(b) where the income (whether arising by means of rent or receipts in respect of premises or easements or otherwise) from the industrial building or structure in respect of the capital expenditure on which the allowance is given is chargeable under Case IV of Schedule D, against income chargeable under that Case, or

(c) income chargeable under Case IV or V of Schedule D respectively which is the subject of a balancing charge.