

Interpretation of certain references to expenditure and time when expenditure is incurred. ITA67 s241(9A), s251(2), s254(4)(a), s260, s261, s303(1), (2); CTA76 s21(1) and Sch1 par15, par17, par21 and par49; FA96 s132(1) and Sch5 Ptl par1(12)(b) 316.—(1) References in this Part to capital expenditure and capital sums—

(a) in relation to the person incurring the expenditure or paying the sums, do not include any expenditure or sum allowed to be deducted in computing for the purposes of tax the profits or gains of a trade, profession, office or employment carried on or held by that person, and

(b) in relation to the person receiving the amounts expended or the sums in question, do not include references to any amounts or sums which are to be taken into account as receipts in computing the profits or gains of any trade, profession, office or employment carried on or held by that person,

and do not include, in relation to any person referred to in paragraphs (a) and (b), any expenditure or sum in the case of which a deduction of tax is to be or may be made under section 237 or 238.

(2) Any reference in this Part to the date on which expenditure is incurred shall be construed as a reference to the date when the sums in question become payable; but, for the purposes of section 284, this subsection shall apply only in respect of machinery and plant provided for use for the purposes of a trade on or after the 6th day of April 1996.

(3) For the purposes of sections 271 and 283, any expenditure incurred for the purposes of a trade by a person about to carry on the trade shall be treated as if it had been incurred by that person on the first day on which that person carries on the trade.