

Allowance in respect of development expenditure and exploration expenditure. F(TPCM)A74 s2(1) and (4); CTA76 s21(1) and Sch1 par64; FA90 s39(a) 673.—(1) Subject to subsections (2) and (3), where a person carrying on the trade of working a qualifying mine incurs on or after the 6th day of April, 1974, any development expenditure or exploration expenditure and makes application under section 670 for a mine development allowance for a chargeable period in respect of such expenditure—

(a) that expenditure shall be deemed to be expenditure in respect of which that allowance may be granted, whether or not in the case of exploration expenditure a deposit of scheduled minerals is found as a result of the expenditure,

(b) the amount of such allowance for that chargeable period shall be equal to the total amount of—

(i) the exploration expenditure, and

(ii) in the case of development expenditure, the amount of the difference between that expenditure and the amount which in the opinion of the inspector the assets representing that expenditure are likely to be worth at the end of the estimated life of the qualifying mine, and

(c) in relation to a case in which this section has applied, any reference in the Tax Acts to an allowance made under section 670 shall be construed as including a reference to an allowance made under that section by virtue of this section.

(2) For the purposes of this section, no account shall be taken of exploration expenditure incurred before the 1st day of April, 1990, as a result of which a deposit of scheduled minerals is not found if the expenditure was incurred more than 10 years before the date on which the person carrying on the trade of working a qualifying mine commenced to carry on that trade.

(3) No allowance shall be made under subsection (1) in respect of expenditure incurred before the 6th day of April, 1974, whether or not such expenditure is by virtue of any provision of the Tax Acts deemed to have been incurred on or after that date.