

Limit on renewals allowance for cars. FA73 s26; CTA76 s140(1) and Sch2 Ptl par33 and s164 and Sch3 Ptl 375.—In determining what amount (if any) is allowable—

(a) to be deducted in computing profits or gains chargeable to tax under Schedule D,

(b) to be deducted from emoluments chargeable to tax under Schedule E, or

(c) to be taken into account for the purposes of a management expenses claim under section 83 or under that section as applied by section 707,

in respect of capital expenditure incurred on the provision of a vehicle to which this Part applies, being expenditure exceeding the specified amount, the excess over the specified amount shall be disregarded; but, if on the replacement of the vehicle any amount becomes so allowable in respect of capital expenditure on any other vehicle, any deduction to be made, in determining the last-mentioned amount, for the value or proceeds of sale of the replaced vehicle or otherwise in respect of the replaced vehicle shall be reduced in the proportion which the specified amount bears to the cost of the replaced vehicle.