

Allowances to lessors. ITA67 s241(5), s252 and s281; CTA76 s21(1) and Sch1 par6 and par16; FA80 s17(3) 298.—(1) Where machinery or plant is let on such terms that the burden of the wear and tear of the machinery or plant falls directly on the lessor, the lessor shall be entitled, on making a claim to the inspector within 24 months after the end of the chargeable period, to—

(a) an initial allowance under section 283, and

(b) a wear and tear allowance under section 284,

in relation to the machinery or plant, equal to the amount which might have been allowed if during the period of the letting the machinery or plant were in use for the purposes of a trade carried on by the lessor.

(2) Where machinery or plant is let on such terms as are referred to in subsection (1), the preceding provisions of this Chapter, in so far as they relate to balancing allowances and balancing charges, shall apply in relation to the lessor as if the machinery or plant were, during the term of the letting, in use for the purposes of a trade carried on by the lessor.