

Acceleration of wear and tear allowances. FA67 s11(1), (2), (2A) and (4); FA71 s26(1), (2), (2A) and (4); CTA76 s21(1) and Sch1 par53 and par60; FA78 s22; FA88 s46, s47 and s51(1)(a), (c), (cc) and the proviso thereto and (d), (3) and (6); FA90 s71, s72, s80 and s81(1)(a) and (c) and proviso to (1), and (3); FA95 s26 and s27; FA96 s43 and s132(1) and Sch5 Ptl pars2 and 5 285.—(1) In this section—

“designated area” means a designated area for the purposes of the Industrial Development Act, 1969 ;

“industrial development agency” means the Industrial Development Authority, Shannon Free Airport Development Company Limited or Údarás na Gaeltachta;

“qualifying building or structure” means a building or structure which is to be an industrial building or structure within the meaning of section 268 (1)(d), and in respect of the provision of which expenditure was incurred before the 31st day of December, 1995, where a binding contract for the provision of the building or structure was entered into before the 31st day of December, 1990;

“qualifying machinery or plant” means machinery or plant, other than vehicles suitable for the conveyance by road of persons or goods or the haulage by road of other vehicles, provided—

(a) on or after the 1st day of April, 1967, for use in any designated area, or

(b) on or after the 1st day of April, 1971, for use in any area other than a designated area,

for the purposes of a trade and which at the time it is so provided is unused and not secondhand.

(2) (a) Subject to this section and section 299 (2), where for any chargeable period a wear and tear allowance is to be made under section 284 in relation to any qualifying machinery or plant, the allowance shall, subject to section 284 (4), be increased by such amount as is specified by the person to whom the allowance is to be made and, in relation to a case in which this subsection has applied, any reference in the Tax Acts to an allowance made under section 284 shall be construed as a reference to that allowance as increased under this subsection.

(b) Subject to subsections (4) and (6), as respects any machinery or plant provided for use on or after the 1st day of April, 1988, any wear and tear allowance made under section 284 and increased under paragraph (a) in respect of that machinery or plant, whether claimed for one chargeable period or more than one such period, shall not in the aggregate exceed—

(i) if the machinery or plant was provided for use before the 1st day of April, 1989, 75 per cent,

(ii) if the machinery or plant was provided for use on or after the 1st day of April, 1989, and before the 1st day of April, 1991, 50 per cent, or

(iii) if the machinery or plant was provided for use on or after the 1st day of April, 1991, and before the 1st day of April, 1992, 25 per cent,

of the capital expenditure incurred on the provision of that machinery or plant.

(3) Notwithstanding subsection (2) but subject to subsections (4) and (6)—

(a) no allowance made under section 284 for wear and tear of any qualifying machinery or plant provided for use on or after the 1st day of April, 1992, shall be increased under this section, and

(b) as respects chargeable periods ending on or after the 6th day of April, 1999, no allowance made under section 284 for wear and tear of any qualifying machinery or plant provided for use before the 1st day of April, 1992, shall be increased under this section.

(4) This section shall apply in relation to machinery or plant to which subsection (5) applies as if subsections (2)(b) and (3) were deleted.

(5) This subsection shall apply to—

(a) machinery or plant provided—

(i) before the 23rd day of April, 1996, for use for the purposes of trading operations, or

(ii) on or after the 23rd day of April, 1996, by a company for use for the purposes of trading operations carried on by the company,

which are relevant trading operations within the meaning of section 445 or 446 but, in relation to capital expenditure incurred on the provision of machinery or plant on or after the 6th day of May, 1993, excluding machinery or plant provided by a lessor to a lessee other than in the course of the carrying on by the lessor of those relevant trading operations,

(b) machinery or plant the expenditure on the provision of which was incurred before the 31st day of December, 1995, under a binding contract entered into on or before the 27th day of January, 1988,

(c) machinery or plant provided for the purposes of a project approved by an industrial development agency on or before the 31st day of December, 1988, and in respect of the provision of which expenditure was incurred before the 31st day of December, 1995; but, as respects machinery or plant provided for the purposes of a project approved by an industrial development agency in the period from the 1st day of January, 1986, to the 31st day of December, 1988, this paragraph shall apply as if the reference to the 31st day of December, 1995, were a reference to the 31st day of December, 1996,

and

(d) machinery or plant provided before the 1st day of April, 1991, for the purposes of a trade or part of a trade of hotel-keeping carried on in a building or structure or part of a building or structure, including machinery or plant provided by a lessor to a lessee for use in such a trade or part of a trade, where a binding contract for the provision of that building or structure was entered into after the 27th day of January, 1988, and before the 1st day of June, 1988.

(6) This section shall apply in relation to machinery or plant to which subsection (7)(a) applies—

(a) as if in subsection (2)(b)—

(i) the following subparagraph were substituted for subparagraph (ii):

“(ii) if the machinery or plant is provided for use on or after the 1st day of April, 1989, 50 per cent,”

and

(ii) subparagraph (iii) were deleted,

and

(b) as if subsection (3) were deleted.

(7) (a) This subsection shall apply to—

(i) machinery or plant provided for the purposes of a project approved for grant assistance by an industrial development agency in the period from the 1st day of January, 1989, to the 31st day of December, 1990, and in respect of the provision of which expenditure is incurred before the 31st day of December, 1997; but, as respects machinery or plant provided for the purposes of any such project specified in the list referred to in section 133 (8)(c)(iv), this subparagraph shall apply as if the reference to the 31st day of December, 1997, were a reference to the 31st day of December, 2002,

and

(ii) machinery or plant provided for the purposes of a trade or part of a trade of hotel-keeping carried on in a qualifying building or structure and in respect of the provision of which expenditure was incurred before the 31st day of December, 1995.

(b) Paragraph (a)(ii) shall not apply if the qualifying building or structure is not registered within 6 months after the date of the completion of that building or structure in a register kept by Bord Fáilte Éireann under the Tourist Traffic Acts, 1939 to 1995, and where by virtue of this section any allowance or increased allowance has been granted any necessary additional assessments may be made to give effect to this paragraph.

(8) Where for any chargeable period a wear and tear allowance under section 284 in relation to any machinery or plant is increased under this section, no allowance under section 283 shall be made in relation to the machinery or plant for that or any subsequent chargeable period.