

Wasting assets qualifying for capital allowances. CGTA75 s51(1) and Sch1 par10 561.—(1) Subsections (3) to (5) of section 560 shall not apply in relation to a disposal of an asset—

(a) which, from the beginning of the period of ownership of the person making the disposal to the time when the disposal is made, is used solely for the purposes of a trade or profession and in respect of which that person has claimed or could have claimed any capital allowance in respect of any expenditure attributable to the asset under paragraph (a) or (b) of section 552 (1), or

(b) on which the person making the disposal has incurred any expenditure which has otherwise qualified in full for any capital allowance.

(2) In the case of the disposal of an asset which in the period of ownership of the person making the disposal has been used partly for the purposes of a trade or profession and partly for other purposes, or has been used for the purposes of a trade or profession for part of that period, or which has otherwise qualified in part only for capital allowances—

(a) the consideration for the disposal and any expenditure attributable to the asset under paragraph (a) or (b) of section 552 (1) shall be apportioned by reference to the extent to which that expenditure qualified for capital allowances,

(b) the computation under this Chapter of the gain on the disposal shall be made separately in relation to the apportioned parts of the expenditure and consideration,

(c) subsections (3) to (5) of section 560 shall not apply for the purposes of the computation in relation to the part of the consideration apportioned to use for the purposes of the trade or profession or to the expenditure qualifying for capital allowances,

(d) if an apportionment of the consideration for the disposal has been made for the purposes of making any capital allowance to the person making the disposal or for the purpose of making any balancing charge on that person, that apportionment shall be employed for the purposes of this section, and

(e) subject to paragraph (d), the consideration for the disposal shall be apportioned for the purposes of this section in the same proportions as the expenditure attributable to the asset is apportioned under paragraph (a).