

Subsidies towards wear and tear. ITA67 s280; CTA76 s21(1) and Sch1 par33 297.—(1) Where—

(a) an event occurs which gives rise or might give rise to a balancing allowance or balancing charge to or on any person in respect of any machinery or plant provided or used by that person for the purposes of a trade, and

(b) any sums which—

(i) are in respect of, or take account of, the wear and tear to the machinery or plant occasioned by its use for the purposes of the trade, and

(ii) do not fall to be taken into account as that person's income or in computing the profits or gains of any trade carried on by that person,

have been paid, or are to be payable, to that person directly or indirectly,

then, in determining whether any and, if so, what balancing allowance or balancing charge is to be made to or on that person, there shall be deemed to have been made to that person for the chargeable period related to the event a wear and tear allowance in respect of the machinery or plant of an amount equal to the total amount of those sums.

(2) Nothing in this section shall affect section 288 (4).