

Acceleration of writing-down allowances in respect of certain expenditure on certain industrial buildings or structures. FA78 s25; FA79 s25; FA88 s48 and s51(1)(a), (c) and (cc), (4)(b) and (6); FA89 s16; FA90 s76, s80 and s81(1)(a) and (b), proviso to (1), and (5); FA93 s33; FA95 s26 and s27; FA96 s43 and s132(1) and Sch 5 Ptl par11 273.—(1) In this section—

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

“qualifying expenditure” means capital expenditure incurred on or after the 2nd day of February, 1978, by the person to whom the allowance under section 272 is to be made on the construction of a building or structure which is to be an industrial building or structure occupied by that person for a purpose specified in paragraph (a), (b) or (d) of section 268 (1), but excluding such expenditure incurred for the purposes of the trade of hotel-keeping unless it is incurred on the construction of premises which are registered in a register kept by Bord Fáilte Éireann under the Tourist Traffic Acts, 1939 to 1995.

(2) (a) Subject to this section, where for any chargeable period an allowance is to be made under section 272 in respect of qualifying expenditure, the allowance shall, subject to subsection (6) of that section, 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 272 shall be construed as a reference to that allowance as increased under this section.

(b) As respects any qualifying expenditure incurred on or after the 1st day of April, 1988, any allowance made under section 272 and increased under paragraph (a) in respect of that expenditure, whether claimed for one chargeable period or more than one such period, shall not in the aggregate exceed—

(i) if the qualifying expenditure was incurred before the 1st day of April, 1989, 75 per cent,

(ii) if the qualifying expenditure was incurred on or after the 1st day of April, 1989, and before the 1st day of April, 1991, 50 per cent, or

(iii) if the qualifying expenditure was incurred on or after the 1st day of April, 1991, and before the 1st day of April, 1992, 25 per cent,

of the amount of that qualifying expenditure.

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

(a) no allowance made under section 272 in respect of qualifying expenditure incurred 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 272 in respect of qualifying expenditure incurred before the 1st day of April, 1992, shall be increased under this section.

(4) This section shall apply in relation to capital expenditure incurred on the construction of an industrial building or structure to which subsection (5) applies as if subsections (2)(b) and (3) were deleted.

(5) This subsection shall apply to—

(a) an industrial building or structure 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 an industrial building or structure on or after the 6th day of May, 1993, excluding an industrial building or structure 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) an industrial building or structure 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, and

(c) an industrial building or structure 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 an industrial building or structure 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.

(6) This section shall apply in relation to capital expenditure incurred on the construction of a building or structure which is to be an industrial building or structure 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 qualifying expenditure is incurred 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) an industrial building or structure 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 an industrial building or structure provided for the purposes of any such project specified in the list referred to in section 133 (8)(c)(iv), this paragraph 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) 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.

(b) Paragraph (a)(ii) shall not apply if the building or structure referred to in that paragraph 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 an allowance under section 272 in respect of qualifying expenditure is increased under this section, no allowance under section 271 shall be made in respect of that qualifying expenditure for that or any subsequent chargeable period.