

Accelerated capital allowances in relation to construction or refurbishment of certain industrial buildings or structures. FA94 s40; FA95 s35(1)(c) 341.—(1) This section shall apply to a building or structure the site of which is wholly within a designated area, or which fronts on to a designated street, and which is to be an industrial building or structure by reason of its use for a purpose specified in section 268 (1)(a).

(2) Subject to subsection (4), section 271 shall apply in relation to capital expenditure incurred in the qualifying period on the construction or refurbishment of a building or structure to which this section applies as if—

(a) in subsection (1) of that section the definition of “industrial development agency” were deleted,

(b) in subsection (2)(a)(i) of that section “to which subsection (3) applies” were deleted,

(c) subsection (3) of that section were deleted,

(d) the following subsection were substituted for subsection (4) of that section:

“(4) An industrial building allowance shall be of an amount equal to 25 per cent of the capital expenditure mentioned in subsection (2).”,

and

(e) in subsection (5) of that section “to which subsection (3)(c) applies” were deleted.

(3) Subject to subsection (4), section 273 shall apply in relation to capital expenditure incurred in the qualifying period on the construction or refurbishment of a building or structure to which this section applies as if—

(a) in subsection (1) of that section the definition of “industrial development agency” were deleted,

(b) the following paragraph were substituted for paragraph (b) of subsection (2) of that section:

“(b) As respects any qualifying expenditure, 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 50 per cent of the amount of that qualifying expenditure.”,

and

(c) subsections (3) to (7) of that section were deleted.

(4) (a) In the case of an industrial building or structure which fronts on to a designated street, subsections (2) and (3) shall apply only in relation to capital expenditure incurred in the qualifying period on the refurbishment of the industrial building or structure and only if the following conditions are

satisfied—

(i) that the industrial building or structure was comprised in an existing building or structure (in this subsection referred to as “the existing building”) on the 1st day of August, 1994, which fronts on to the designated street, and

(ii) that, apart from the capital expenditure incurred in the qualifying period on the refurbishment of the industrial building or structure, expenditure is incurred on the existing building which is—

(I) conversion expenditure within the meaning of section 347,

(II) relevant expenditure within the meaning of section 348, or

(III) qualifying expenditure within the meaning of section 349 (being qualifying expenditure on refurbishment within the meaning of that section),

and in respect of which a deduction has been given, or would on due claim being made be given, under section 347 , 348 or 349, as the case may be.

(b) Notwithstanding paragraph (a), subsections (2) and (3) shall not apply in relation to so much (if any) of the capital expenditure incurred in the qualifying period on the refurbishment of the industrial building or structure as exceeds the amount of the deduction, or the aggregate amount of the deductions, which has been given, or which would on due claim being made be given, under section 347 , 348 or 349, as the case may be, in respect of the conversion expenditure, the relevant expenditure or, as the case may be, the qualifying expenditure.

(5) Notwithstanding section 274 (1), no balancing charge shall be made in relation to a building or structure to which this section applies by reason of any of the events specified in that section which occurs—

(a) more than 13 years after the building or structure was first used, or

(b) in a case where section 276 applies, more than 13 years after the capital expenditure on refurbishment of the building or structure was incurred.

(6) For the purposes only of determining, in relation to a claim for an allowance under section 271 or 273 as applied by this section, whether and to what extent capital expenditure incurred on the construction or refurbishment of an industrial building or structure is incurred or not incurred in the qualifying period, only such an amount of that capital expenditure as is properly attributable to work on the construction or, as the case may be, the refurbishment of the building or structure actually carried out during the qualifying period shall (notwithstanding any other provision of the Tax Acts as to the time when any capital expenditure is or is to be treated as incurred) be treated as having been incurred in that period.