

Adjustment of allowances by reference to value-added tax. FA75 s29; FA97 s20(14) 319.—(1) In computing any deduction, allowance or relief for the purposes of—

- (a) this Part,
- (b) sections 658 and 659,
- (c) Chapter 1 of Part 24, or
- (d) sections 764 , 765 and 769,

the cost to a person of any machinery or plant, or the amount of any expenditure incurred by a person, shall not take account of any amount included in such cost or expenditure for value-added tax in respect of which the person may claim—

- (i) a deduction under section 12 of the Value-Added Tax Act, 1972 , or
- (ii) a refund of value-added tax under an order under section 20(3) of that Act.

(2) In calculating for the purposes of this Part the amount of sale, insurance, salvage or compensation moneys to be taken into account in computing a balancing allowance or balancing charge to be made to or on a person, no account shall be taken of the amount of value-added tax (if any) chargeable to the person in respect of those moneys.