HMRC - OT28350 - Writing Down Allowances For The Net Cost Of Demolition

CAA01\S26

The provision giving relief for the net cost of demolition of plant or machinery remains on the statute book as CAA01\S26.

However, claims are not expected under this section for offshore assets as it is likely to be more beneficial or more convenient to include any qualifying expenditure in decommissioning expenditure claims.

This provision is still relevant for claims for onshore assets. Where the demolition costs for an onshore asset extend over more than one chargeable period, HMRC accepts that relief may commence as expenditure is incurred rather than when demolition is completed.

Relief under this section is due on the net cost of demolition and costs which are not part of this process will not qualify for relief.

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