

Amendment	Page	Line
*SC 60	360	37

Paul Boateng

(Brent South - Lab)

Amendment 60

Schedule 30, page 360, line 37, at end insert-

'(2) In section 46(5) for "or 45E" substitute ",45E or 45H".'

EXPLANATORY NOTE**SUMMARY**

1. The purpose of the amendment is to remedy an unintended omission from the provisions being introduced by schedule 30. Schedule 30 introduces first year capital allowances for expenditure on environmentally beneficial plant or machinery, and this amendment provides that expenditure on such assets for leasing can qualify for these first year allowances.

DETAILS

2. Schedule 30 inserts section 45H into the Capital Allowances Act 2001. Section 45H introduces first year capital allowances for expenditure on environmentally beneficial plant or machinery, and this amendment adds the new section 45H to the list of sections in sub-section 46(5) of the Capital Allowances Act 2001.
3. Subsection (5) of section 46 specifies the types of expenditure that are not prevented from being first year qualifying expenditure by "General exclusion 6". That exclusion provides that expenditure on the provision of plant or machinery for leasing is not first-year qualifying expenditure.
4. So the amendment secures that the exclusion of expenditure for leasing is not to apply to expenditure on environmentally beneficial plant or machinery.

BOARD OF INLAND REVENUE FINANCE BILL 2003
COMMITTEE
SCHEDULE 30

BACKGROUND NOTE

5. The scheme being introduced by schedule 30 is modelled on the scheme for energy-saving plant or machinery which was introduced in the Finance Act 2001.
6. This amendment to the provisions of the new scheme replicates a similar change made to the earlier scheme by section 62 of the Finance Act 2002, when the Government responded to concerns expressed by some of the representative bodies.