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(Bristol South – Lab)

**Amendment 190**

Schedule 8, page 214, line 9 [Vol I], at end insert—

‘(4) The first order made under this section may include provisions having effect in relation to times before the making of the order (but not times earlier than 1st April 2006).’.

**EXPLANATORY NOTE**

**SUMMARY**

1. Amendment 190 ensures that the meaning of "background plant or machinery" is effective from 1 April 2006.

**DETAILS**

2. Amendment 190 adds a new sub-section (4) to new section 70T Capital Allowances Act that ensures the meaning of "background plant or machinery" operates from 1 April 2006.

**BACKGROUND NOTE**

3. Schedule 8 introduces the new regime for taxing long funding leases of plant or machinery. Leases of certain types of plant or machinery ("background plant or machinery") are outside the scope of the regime.
4. The definition of "background plant or machinery" should operate from 1 April 2006 so that it has effect from the start date of the new regime to allow consistency of approach.

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RESOLUTION 37**

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5. The definition that will be used in the first set of regulations has already been published and this amendment will allow the order confirming that definition to have effect from 1 April 2006.