

2003 No. 2076

INCOME TAX

The Capital Allowances (Environmentally Beneficial Plant and Machinery) Order 2003

<i>Made</i>	- - - -	<i>11th August 2003</i>
<i>Laid before the House of Commons</i>		<i>11th August 2003</i>
<i>Coming into force</i>	- -	<i>1st September 2003</i>

The Treasury, in exercise of the powers conferred upon them by sections 45H(3) and (4) and 45J(3)(b) of the Capital Allowances Act 2001(a), hereby make the following Order:

Citation and commencement

1. This Order may be cited as the Capital Allowances (Environmentally Beneficial Plant and Machinery) Order 2003 and shall come into force on 1st September 2003.

Interpretation

2. In this Order—

“the Capital Allowances Act” means the Capital Allowances Act 2001;

“the Water Technology Criteria List” means the list dated 8th July 2003 and published by the Department for Environment, Food and Rural Affairs on 30th July 2003;

“the Water Technology Product List” means the list dated 8th July 2003 and published by the Department for Environment, Food and Rural Affairs on 30th July 2003.

Description of environmentally beneficial plant and machinery

3.—(1) Plant or machinery is environmentally beneficial plant or machinery for the purposes of section 45H of the Capital Allowances Act (expenditure on environmentally beneficial plant or machinery) if—

- (a) it falls within a technology class specified in the Water Technology Criteria List,
- (b) it meets the environmental criteria set out in that List, and
- (c) in the case of plant or machinery falling within any of the technology classes specified in paragraph (2), it is of a type that—
 - (i) is specified in, and has not been removed from, the Water Technology Product List, or
 - (ii) has been accepted for inclusion in the Water Technology Product List.

(2) The technology classes specified for the purposes of paragraph (1)(c) are—

(a) 2001 c. 2. Sections 45H to 45J were inserted by paragraph 3 of Schedule 30 to the Finance Act 2003 (c. 14).

- (a) flow controllers,
- (b) leakage detection equipment,
- (c) meters,
- (d) taps, and
- (e) toilets.

Environmentally beneficial components of plant or machinery

4. Where one or more components of certain plant or machinery (but not all of that plant or machinery)—

- (a) meets the conditions set out in article 3(1)(a) to (c), and
- (b) falls within any of the technology classes specified in article 3(2)(a) to (c),

the amount specified in respect of each such component for the purposes of section 45J of the Capital Allowances Act is the amount specified in the Water Technology Product List in relation to that component.

11th August 2003

Jim Murphy
Joan Ryan
Two of the Lords Commissioners of her Majesty's Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

Section 167 of, and Schedule 30 to, the Finance Act 2003 (c.14) amend the Capital Allowances Act 2001 (c.2) so as to introduce a scheme for 100% first-year allowances to encourage businesses to invest in environmentally beneficial plant and machinery. The Schedule inserts new sections (45H to 45J) in the Capital Allowances Act which have effect in relation to expenditure incurred on or after 1st April 2003. Section 45H defines environmentally beneficial plant or machinery and provides for the plant and machinery to be specified in an order made by the Treasury which can refer to any technology list, or product list, issued by the Secretary of State. Section 45J provides that, where one or more components of certain plant or machinery (but not all of that plant or machinery) falls within section 45H as specified environmentally beneficial plant or machinery, the part of expenditure on that plant or machinery that is referable to environmentally beneficial plant or machinery must not exceed the amount specified in an order made by the Treasury.

Article 3 of this Order specifies for the purposes of section 45H plant or machinery falling within the Water Technology Criteria and Product Lists published by the Department for Environment Food and Rural Affairs on 30th July 2003 and meeting the environmentally beneficial criteria set out in those Lists.

Article 4 of this Order provides that where one or more components of certain plant or machinery (but not all of that plant or machinery) falls within Article 3, the amount specified in respect of each such component for the purposes of section 45J is the amount specified in the Water Technology Product List in relation to that component. The Water Technology Criteria and Product Lists are available on the relevant website of the Department for the Environment, Food and Rural Affairs, namely www.eca-water.gov.uk

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