

2005 No. 2423

INCOME TAX

CORPORATION TAX

The Capital Allowances (Environmentally Beneficial Plant and Machinery) (Amendment) Order 2005

Made - - - - 31st August 2005

Laid before the House of Commons 1st September 2005

Coming into force - - 22nd September 2005

The Treasury, in exercise of the powers conferred upon them by section 45H(3) to (5) and section 45I(1) of the Capital Allowances Act 2001(a), make the following Order:

Citation and commencement

1. This Order may be cited as the Capital Allowances (Environmentally Beneficial Plant and Machinery) (Amendment) Order 2005 and shall come into force on 22nd September 2005.

Amendment of the Capital Allowances (Environmentally Beneficial Plant and Machinery) Order 2003

2. The Capital Allowances (Environmentally Beneficial Plant and Machinery) Order 2003(b) is amended as follows.

3. In article 2 (interpretation) for the definitions of “the Water Technology Criteria List” and “the Water Technology Product List” substitute—

““the Water Technology Criteria List” means the list dated 9th July 2005 and issued by the Secretary of State for the Environment, Food and Rural Affairs on 15th July 2005;

“the Water Technology Product List” means the list dated 9th July 2005 and issued by the Secretary of State for the Environment, Food and Rural Affairs on 15th July 2005.”.

4. In article 3 (description of environmentally beneficial plant and machinery) for paragraph (2) substitute—

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

- (a) flow controllers;
- (b) leakage detection equipment;
- (c) meters;
- (d) taps;

(a) 2001 c. 2. Sections 45H and 45I were inserted by paragraph 3 of Schedule 30 to the Finance Act 2003 (c. 14).
(b) S.I. 2003/2076, amended by S.I. 2004/2094.

- (e) toilets;
- (f) rainwater harvesting equipment;
- (g) efficient membrane filtration systems for the treatment of wastewater for recovery and reuse;
- (h) cleaning in place equipment;
- (i) efficient showers.”.

5. After article 4 add the following article—

“Certification of environmentally beneficial plant and machinery

5.—(1) In a case in which paragraph (2) applies, no section 45H allowance may be made unless a relevant certificate of environmental benefit is in force.

(2) This paragraph applies in the case of expenditure on efficient membrane filtration systems for the treatment of wastewater for recovery and reuse.

(3) In paragraph (1), “section 45H allowance” has the meaning given by section 45I(1) of the Capital Allowances Act, and “relevant certificate of environmental benefit” means a certificate of environmental benefit, as defined in subsection (2) of section 45I of the Capital Allowances Act, and which has been issued in accordance with subsection (3) of that section.”.

*Joan Ryan
Tom Watson*

31st August 2005

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Capital Allowances (Environmentally Beneficial Plant and Machinery) Order 2003 (S.I. 2003/2076, as amended) (“the 2003 Order”). That Order implemented legislation, inserted into the Capital Allowances Act 2001 (c. 2) by paragraph 3 of Schedule 30 to the Finance Act 2003 (c. 14), so as to introduce a scheme for 100% first-year allowances to encourage businesses to invest in environmentally beneficial plant and machinery.

Article 3 of this Order substitutes new definitions of the “the Water Technology Criteria List” and the “the Water Technology Product List”; and article 4 of this Order adds to the list of technology classes specified in article 3(2) of the 2003 Order. Article 5 of this Order adds a new article 5 to the 2003 Order. The new article provides that no first-year allowance is available in the case of certain expenditure unless an appropriate certificate of environmental benefit is in force.

The Lists referred to in article 3 are available online at www.eca-water.gov.uk.

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