



Tax rates and allowances 2018-19

Capital Allowances and Annual Investment Allowance

Tangible Assets

Annual Investment Allowance (AIA)

| | Sole Trader / Partnership | Limited Company |
|---|--------------------------------------|----------------------------|
| From the 1 st January 2016 | £200,000 | £200,000 |
| 6 th April 2014 – 31 st December 2015 | £500,000 | - |
| 1 st April 2014 – 31 st December 2015 | - | £500,000 |
| 1 st January 2013 – 5 th April 2014 | £250,000 | - |
| 1 st January 2013 – 31 st March 2014 | - | £250,000 |
| 6 th April 2012 – 31 st December 2012 | £25,000 | - |
| 1 st April 2012 – 31 st December 2012 | - | £25,000 |
| 6 th April 2010 – 5 th April 2012 | £100,000 | - |
| 1 st April 2010 – 31 st March 2012 | - | £100,000 |
| 6 th April 2008 – 5 th April 2010 | £50,000 | - |
| 1 st April 2008 – 31 st March 2010 | - | £50,000 |

Notes

1. You can deduct the full value of an item that qualifies for Annual Investment Allowance (AIA) from your profits before tax (up to the maximum for the period listed above).
2. You can claim AIA on most plant and machinery and new and used cars with CO₂ emissions not exceeding 50gm/km (2017-18 75gm/km).
3. You can't claim AIA on:
 - Cars with CO₂ emissions in excess of 50gm/km (2017-18 75gm/km)
 - Items you owned for another reason before you started using them in your business
 - Items given to you for your business.

For these items claim writing-down allowance as appropriate instead.

4. If your accounting period straddles two AIA rates you use a proportion of both rates to calculate the maximum amount of AIA you can claim.

For example, your year end is 31.03.16, the amount of AIA is calculated as follows:

$$3/12 \times £200,000 = £50,000$$

$$9/12 \times £500,000 = \underline{£375,000}$$

$$\text{Total AIA} = \underline{£425,000}$$

5. Assets purchased that allows you to claim first year allowance (first year allowance is the full cost of the asset) are over-and-above your AIA.



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6. Once you have utilised all of your AIA, additional assets go into either the Main Pool or Special Rate Pool / Single Asset Pool (mainly cars with CO₂ greater than 110gm/km (2017-18 130gm/km)) and you can claim Reducing Balance writing-down allowances of 18% on the Main Pool and 8% on the Special Pool.

Plant and Machinery

| | 2018-19 | 2017-18 |
|--|---------|---------|
| Main writing down allowance rate | 18% | 18% |
| Special rate pool (long life assets and integral features within a building) | 8% | 8% |
| Enterprise Zone plant & machinery (max €125m per investment project) | 100% | 100% |
| Patent rights & know-how (annual reducing balance) | 25% | 25% |
| Energy and water-efficient equipment | 100% | 100% |
| Electric vans | 100% | 100% |
| Energy saving/environmentally beneficial assets | 100% | 100% |

Motor Cars

| | 2018-19 | 2017-18 |
|--|---------|---------|
| New or used cars with CO ₂ emissions of 50gm/km or less (non-electric) | 100% | |
| New or used cars with CO ₂ emissions of 75gm/km or less (non-electric) | | 100% |
| New or used cars with CO ₂ emissions between 50gm/km and 110gm/km | 18% | |
| New or used cars with CO ₂ emissions between 75gm/km and 130gm/km | | 18% |
| Second hand cars with CO ₂ emissions of 110gm/km or less or car is electric | 18% | |
| Second hand cars with CO ₂ emissions of 130gm/km or less or car is electric | | 18% |
| Emissions greater than 110gm/km | 8% | |
| Emissions greater than 130gm/km | | 8% |

Other Asset Types

| | 2018-19 | 2017-18 |
|--|---------|---------|
| Commercial or Industrial Buildings in an Enterprise Zone | 100% | 100% |
| Business premises Renovation Allowance | 100% | 100% |



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Intangible Assets

- Companies receive a deduction for expenditure on an accounts basis.
- Allowances at 4% p.a. are available by election.