

AIA (Annual Investment Allowance)

NOW IS THE TIME ...TO INVEST IN NEW PLANT AND EQUIPMENT

The Chancellor extended a **window of opportunity** for businesses in the 2014 Budget by increasing the Annual Investment Allowance to £500,000 per year from 6th April 2014 until 31st December 2015.

This means you could spend up to £500,000 in plant and machinery purchases this year, and **claim the whole lot against tax**, effectively giving you **20-47% back** on this investment in current year **tax savings!**

As a valued client, we wanted to ensure you were aware of this **generous allowance** so you can take this into account in your **future investment plans**.



HOW MUCH CAN I INVEST AND STILL GET THE 100% TAX ALLOWANCE?

This depends on when your year end is and how much you have already invested in new equipment this financial year – contact us for more details. Although the provision kicks in from 6th April, there are transitional arrangements which mean you may not be able to take advantage of the full £500,000 allowance straight away.

WHAT ITEMS OF PLANT AND MACHINERY QUALIFY?

All items of machinery, computer equipment, software and also vans will qualify, but cars won't. However there is a separate tax allowance of 100% for cars purchased new with CO₂ emissions of less than 95 g/km, and that they are classed as entirely for business use, such as employees' company cars.

WHAT'S THE CATCH?

There isn't one – you can claim any capital spend on qualifying equipment up to your allowance for this financial year (contact us before making a large capital purchase so we can check this for you). Just remember that cars don't qualify.

IS THERE ANY URGENCY TO USE THIS ALLOWANCE STRAIGHT AWAY?

No, the window is until 31st December 2015 so you have plenty of time, we are just making you aware so you can plan accordingly. However if you want to take advantage of the low emissions cars allowance, you are best doing this before 31st March 2015 as the upper CO₂ limit will be reduced to 75 g/km from this date.

IF YOU'D LIKE TO DISCUSS HOW THE NEW AIA COULD BENEFIT YOU, PLEASE DON'T HESITATE TO CONTACT US:

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