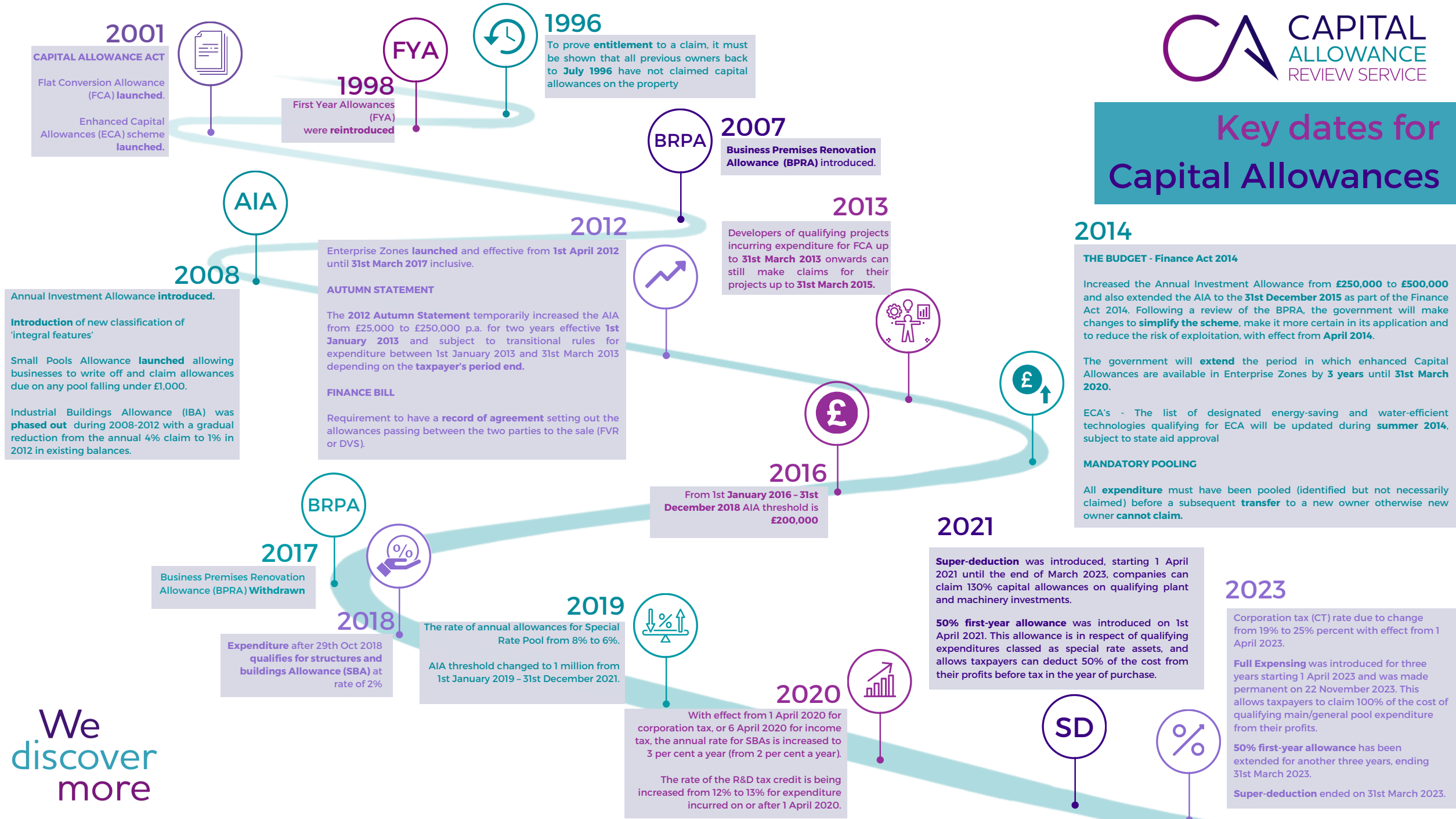


Key dates for Capital Allowances



2001

CAPITAL ALLOWANCE ACT

Flat Conversion Allowance (FCA) **launched**.
Enhanced Capital Allowances (ECA) scheme **launched**.



1998

First Year Allowances (FYA) were **reintroduced**

FYA

1996

To prove **entitlement** to a claim, it must be shown that all previous owners back to **July 1996** have not claimed capital allowances on the property



2007

Business Premises Renovation Allowance (BPPA) introduced.



2013

Developers of qualifying projects incurring expenditure for FCA up to **31st March 2013** onwards can still make claims for their projects up to **31st March 2015**.



2014

THE BUDGET - Finance Act 2014

Increased the Annual Investment Allowance from **£250,000 to £500,000** and also extended the AIA to the **31st December 2015** as part of the Finance Act 2014. Following a review of the BPPA, the government will make changes to **simplify the scheme**, make it more certain in its application and to reduce the risk of exploitation, with effect from **April 2014**.

The government will **extend** the period in which enhanced Capital Allowances are available in Enterprise Zones by **3 years** until **31st March 2020**.

ECA's - The list of designated energy-saving and water-efficient technologies qualifying for ECA will be updated during **summer 2014**, subject to state aid approval

MANDATORY POOLING

All **expenditure** must have been **pooled** (identified but not necessarily claimed) before a subsequent **transfer** to a new owner otherwise new owner **cannot claim**.



2016

From **1st January 2016 - 31st December 2018** AIA threshold is **£200,000**



2021

Super-deduction was introduced, starting 1 April 2021 until the end of March 2023, companies can claim 130% capital allowances on qualifying plant and machinery investments.

50% first-year allowance was introduced on 1st April 2021. This allowance is in respect of qualifying expenditures classed as special rate assets, and allows taxpayers can deduct 50% of the cost from their profits before tax in the year of purchase.



2023

Corporation tax (CT) rate due to change from 19% to 25% percent with effect from 1 April 2023.

Full Expensing was introduced for three years starting 1 April 2023 and was made permanent on 22 November 2023. This allows taxpayers to claim 100% of the cost of qualifying main/general pool expenditure from their profits.

50% first-year allowance has been extended for another three years, ending 31st March 2023.

Super-deduction ended on 31st March 2023.



2012

Enterprise Zones **launched** and effective from **1st April 2012** until **31st March 2017** inclusive.

AUTUMN STATEMENT

The **2012 Autumn Statement** temporarily increased the AIA from £25,000 to £250,000 p.a. for two years effective **1st January 2013** and subject to transitional rules for expenditure between 1st January 2013 and 31st March 2013 depending on the **taxpayer's period end**.

FINANCE BILL

Requirement to have a **record of agreement** setting out the allowances passing between the two parties to the sale (FVR or DVS).

2008

AIA

Annual Investment Allowance **introduced**.

Introduction of new classification of 'integral features'

Small Pools Allowance **launched** allowing businesses to write off and claim allowances due on any pool falling under £1,000.

Industrial Buildings Allowance (IBA) was **phased out** during 2008-2012 with a gradual reduction from the annual 4% claim to 1% in 2012 in existing balances.

2017

BRPA

Business Premises Renovation Allowance (BPPA) **Withdrawn**



2019

The rate of annual allowances for Special Rate Pool from 8% to 6%.



2018

Expenditure after 29th Oct 2018 **qualifies for structures and buildings Allowance (SBA)** at rate of 2%

AIA threshold changed to 1 million from 1st January 2019 - 31st December 2021.

2020

With effect from 1 April 2020 for corporation tax, or 6 April 2020 for income tax, the annual rate for SBAs is increased to 3 per cent a year (from 2 per cent a year).

The rate of the R&D tax credit is being increased from 12% to 13% for expenditure incurred on or after 1 April 2020.

