

Tax Rates & Allowances 2009/10

Capital Allowances:

Plant and machinery - Annual Investment Allowance (AIA)

The AIA applies to expenditure incurred on or after 6 April 2008 (1 April 2008 for companies). The AIA gives a 100% write-off on most types of plant and machinery costs, including integral features and long-life assets but not cars, of up to £50,000 p.a.

Any costs over the AIA fall into the normal capital allowance pools at either 10% or 20%. The £50,000 limit may need to be shared between certain businesses under common ownership.

Other plant and machinery allowances

The annual rate of allowance is 20% from 6 April 2008 (1 April 2008 for companies).

A 10% rate applies to expenditure incurred on integral features and on long life assets on or after 6 April 2008 (1 April 2008 for companies). Long life asset expenditure brought forward will obtain the 10% rate.

A 100% first year allowance may still be available on certain energy efficient plant and cars.

Cars

For expenditure incurred on cars on or after 6 April 2009 (1 April 2009 for companies), costs will generally be allocated to one of the two plant and machinery pools. Cars with CO2 emissions not exceeding 160 gm/km will receive a 20% allowance p.a. Cars with CO2 emissions over 160 gm/km will receive a 10% allowance p.a.

Industrial and agricultural buildings and hotels

The annual rate of allowance is 2% (3%) 6 April 2009 (1 April 2009 for companies). Special rules apply for accounting periods straddling these dates.