

# SUPER DEDUCTIONS!

For expenditure incurred from 1 April 2021 until the end of March 2023, companies can claim 130% capital allowances on qualifying plant and machinery investments. Under the super-deduction, for every pound a company invests, their taxes are cut by up to 25p. This change makes the UK's capital allowance regime more internationally competitive, lifting the net present value of our plant and machinery allowances from 30th in the OECD to 1st



## THE NEW CAPITAL ALLOWANCE OFFERS...

### EXAMPLE

New machine purchased for  
£100,000  
Allowances available of  
£130,000  
Tax saving at 19% £24,700

- The super-deduction – which offers 130% first-year relief on qualifying main rate plant and machinery investments until 31 March 2023 for companies.
- The 50% first-year allowance (FYA) for special rate (including long life) assets until 31 March 2023 for companies.
- Annual Investment Allowance (AIA) providing 100% relief for plant and machinery investments up to its highest ever £1 million threshold, until 31 December 2021
- Within Freeport tax sites, companies can access new Enhanced Capital Allowances (ECA+) and companies, individuals and partnerships can benefit from an increased level of Structures & Buildings Allowance (SBA+) for investments until 30 September 2026



## IS MY BUSINESS ELIGIBLE FOR SUPER DEDUCTIONS?

Your business is eligible if you spend money on any of the assets listed below between April 1 2021 and March 31 2023.

'Super-deduction' includes all new plant and machinery that would ordinarily qualify for the 18% main pool rate of capital allowances (writing down allowances).



## EXAMPLES INCLUDE...

- Computer equipment and servers
- Tractors, lorries, vans
- Ladders, drills, cranes
- Office chairs and desks
- Electric vehicle charge points
- Refrigeration units
- Compressors.



## FOR MORE ADVICE ON SUPER DEDUCTIONS...

Speak to our team of experts  
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**Pierce**

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