

Capital allowances and balancing charges

i **Contacts**

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0845 9000 444**
 - the SA Orderline on **0845 9000 404** for helpsheets
- or go to hmrc.gov.uk/sa

This helpsheet gives you information to help you fill in the capital allowances boxes in:

- the *Self-employment, UK property, Employment* and *Foreign* pages of your personal tax return, or
- the *Trading and professional income, UK property* and *Foreign* pages of the Partnership Tax Return,
- the *Trade, UK property* and *Foreign* pages of the Trust and Estate Tax Return
- the *UK property income* pages of the *Tax Return for a non-resident company liable to Income Tax*.

It explains:

- what capital allowances and balancing charges are
- how to make a claim
- what capital allowances are available
- the different types of plant and machinery allowances
- what happens if you use plant and machinery only partly for business purposes, or dispose of equipment
- the rules for cars
- special rules that apply to accounting periods that are different to the tax year
- the rules when you commence or cease your business
- claims for partnerships
- what allowances you can claim if you are an employee
- briefly about Business Premises Renovation Allowance and Flat Conversion Allowance
- where to enter capital allowances on the returns.

What are capital allowances and balancing charges?

In working out your business profits you should not deduct the cost, that is, the expenditure incurred, of buying or improving items such as a car, equipment or other tools that you use in your business or the depreciation or any other losses which arise when you sell them. Instead, you can claim tax allowances called capital allowances. These are deducted from your profit to arrive at your taxable profits, or added to your losses to arrive at allowable losses.

Generally, anything you use that has a useful economic life of at least two years may qualify for capital allowances.

Capital allowances do not apply to items that it is your trade to buy and sell as these items are included in business expenses.

An adjustment, known as a balancing charge, may arise when you sell an asset, give it away or stop using it in your business. Balancing charges are added to your taxable profits, or are deducted from your losses, in the year they occur.

How to claim capital allowances

The maximum amount you can claim in your tax return is the amount worked out from the rules set out in these notes.

Please contact us or your tax adviser if you need more help, or if:

- you do not want to claim the full amount of allowances, or
- someone else pays part of the cost (for example, by giving you a grant), or
- you had purchases from, or sales to, members of your family or other connected persons.

What amount can I claim?

The amount you can claim is based on the cost to you of the item, generally including installation costs if charged.

What if I bought machinery on hire purchase?

If you bought items, such as a van, to use in your business on hire purchase or by an alternative finance method, you can only claim capital allowances on the original cost of the item. The interest or other charges count as business expenses.

Does the cost of the item include Value Added Tax (VAT)?

The purchase price of an asset on which you can claim capital allowances sometimes includes VAT. If you are registered for VAT and can offset that VAT against your output tax when you make your VAT returns, you should only claim capital allowances on the net cost of the asset.

If you are registered for the VAT Flat Rate Scheme and enter details of your income and expenses net of VAT (that is, with the VAT taken off), you should only claim capital allowances on the net cost of the asset.

If you are not registered for VAT or can only claim an element of the VAT you have incurred, for example, because you are partly exempt, include the irrecoverable VAT paid in the capital costs on which you claim capital allowances.

Available capital allowances

Capital allowances are not given on all types of expenditure. The main exceptions are buildings, land and some intangibles such as trade marks and goodwill. You can claim capital allowances for the following items:

- plant and machinery
- flat conversions (these allowances will be abolished from April 2013)
- business premises renovation in assisted areas and Northern Ireland
- mineral extraction
- research and development
- know-how
- patents
- dredging.

You cannot claim capital allowance for plant and machinery (such as furniture and fixtures) for use in a dwelling house if you have a property rental business unless it qualifies as a furnished holiday lettings business. See the [UK property notes](#) for more information.

There are special rules that apply if you carry on a qualifying care business. These are described in [Helpsheet 236 Qualifying care relief: Foster carers, adult placement carers, kinship carers, staying put carers and parent and child arrangements](#).

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0845 9000 444**
 - the SA Orderline on **0845 9000 404** for helpsheets
- or go to hmrc.gov.uk/sa

Not all allowances are available to everyone. For example, trusts and mixed partnerships are not ‘qualifying persons’ for the purposes of Annual Investment Allowances. For more information, go to hmrc.gov.uk/manuals/camanual/ca23082.htm

Scope of this helpsheet

This helpsheet gives a brief overview of plant and machinery allowances, as they are the most common type of allowances claimed. For more detailed guidance about these and the other allowances in the Capital Allowances Manual, go to hmrc.gov.uk/manuals/camanual/index.htm

This helpsheet has been written on the basis that you have a ‘standard’ accounting period of 6 April 2012 to 5 April 2013. If your accounting period is different, or longer or shorter than 12 months, then read the notes on pages 13 to 17 of this helpsheet.

Plant and machinery allowances – generally for equipment and tools

You can claim allowances, called Plant and Machinery Allowances, for the cost of vans, cars (subject to special rules), machines, equipment, tools, furniture, computers and similar items which you have bought and which you use in your business. You may be eligible to claim one or more different allowances but you cannot claim more than one allowance for the same expenditure. You can choose whether or not to claim and which allowances you wish to claim. You do not have to claim the full amount of the allowance but you must specify the amount you wish to claim on your return.

From 6 April 2012 the following type of plant and machinery allowances are available:

- Annual Investment Allowance (AIA) – covering the whole amount of qualifying expenditure up to a specified maximum cap
- writing down allowances (WDA) – these are annual allowances, normally calculated at 18 per cent a year, which reduce, or ‘write down’ any balance (or ‘pool’) of capital expenditure on equipment (‘plant and machinery’), not already relieved by other allowances, including cars that have CO₂ emissions of 160 grams per kilometre driven (g/km) or less
- a special rate WDA of 8 per cent a year, which applies to certain types of plant or machinery, such as electrical systems (for example, lighting), and cars that have CO₂ emissions of more than 160g/km
- Small Pools Allowance – an alternative to the 18 per cent WDA and 8 per cent special rate WDA, which can be claimed for the whole balance in either the main or special rate pool where this is not more than £1,000
- 100 per cent first year allowances for investments in certain energy-saving technologies and new, unused cars that have CO₂ emissions of 110g/km or less
- balancing adjustments – which can be either an allowance or charge. These can arise in certain circumstances (for example, when your business ceases, or you sell an asset for more than the total written down value of the pool).

For more information about these allowances see page 4 of this helpsheet.

Annual Investment Allowance (AIA)

AIA is available for most businesses, including partnerships. It is not available for trustees or mixed partnerships, that is partnerships which are not made-up entirely of individuals.

You can claim an AIA if you bought equipment (but not cars) on or after 6 April 2012 up to an annual amount of £25,000. (Before 6 April 2012 this maximum amount was £100,000.) Legislation was introduced in Finance Bill 2013 to increase the maximum amount of the AIA from £25,000 to £250,000 for a temporary period of two years in relation to expenditure incurred on or after 1 January 2013.

There are transitional rules that apply if your accounting period straddles either the start of the increase (1 January 2013) or the end of the increase (1 January 2015). If your accounting period began on or after 6 April 2012, you calculate your maximum AIA for this straddling period in two parts the:

- (a) AIA entitlement, based on the previous £25,000 annual cap for the portion of the year falling before 1 January 2013, and
- (b) AIA entitlement, based on the new £250,000 cap for the portion of a year falling on or after 1 January 2013.

Example 1

For the chargeable period from 6 April 2012 to 5 April 2013 you calculate your maximum AIA entitlement based on:

- (a) the proportion of a year from 6 April 2012 to 31 December 2012, that is $9/12 \times £25,000 = £18,750$, and
- (b) the proportion of a year from 1 January 2013 to 5 April 2013, that is, $3/12 \times £250,000 = £62,500$.

The maximum AIA for this transaction period would therefore be the total of (a) + (b) = $£18,750 + £62,500 = £81,250$. However, in relation to (a) no more than a maximum of £25,000 (which was the maximum AIA claimable for the period before the increase to £250,000) of expenditure can be claimed as AIA.

If your accounting period is different or longer or shorter than 12 months, then read the notes on pages 12 to 16 of this helpsheet.

Writing down allowances (WDAs)

Where you have spent more than the maximum amount of AIA in a year on equipment, or have purchased a car that has CO₂ emissions of 160g/km or less, (for more information about cars see pages 6 to 8 of this helpsheet) you can claim WDAs on the unrelieved expenditure. Add all the expenditure together (along with any unrelieved expenditure carried forward from the previous year, and after deduction of the proceeds of any pooled item that you may have sold) in a 'main pool' of costs. Deduct any Annual Investment Allowance (AIA) that you are claiming up to the maximum amount of your entitlement. (Exclude cars, which are not eligible for AIA). You can then claim a WDA of 18 per cent of the remaining pool value (unless the expenditure is 'special rate' expenditure – see page 5 of this helpsheet).

Example 2

Grace's accounts run from 6 April 2012 to 5 April 2013. She spent £35,000 in total on general equipment during the year, all **before** 1 January 2013 and the total expenditure was pooled. She can claim £25,000 of this as an Annual Investment Allowance. The balance of £10,000 qualifies for 18 per cent WDAs, which amounts to £1,800. The amount remaining in the pool (£8,200) should be carried forward to the next year.

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0845 9000 444**
 - the SA Orderline on **0845 9000 404** for helpsheets
- or go to hmrc.gov.uk/sa

Example 3

Tony's accounts run from 6 April 2012 to 5 April 2013. He spent £80,000 on general equipment all **after** 31 December 2012 and the total expenditure is pooled. He can claim £80,000 Annual Investment Allowance (AIA) because the maximum AIA for this transitional period is £81,250 (see Example 1 on page 4 of this helpsheet) and Tony has not spent more than this maximum. So Tony can claim an AIA of £80,000 against his profits and has no unrelieved balance of that year's expenditure on which to claim any WDAs.

Special rate expenditure

Certain items of equipment qualify for special rate WDAs at 8 per cent a year. For example:

- thermal insulation that you may have added to an existing building
- integral features (for example, electrical systems, hot and cold water systems, lifts, escalators and moving walkways)
- long-life assets (equipment with an expected planned economic life of over 25 years – see page 8 of this helpsheet), and
- solar panels, both thermal and photovoltaic types.

You may use your AIA wholly or partly against this expenditure, in preference to expenditure that qualifies at the 18 per cent rate. Any balance of expenditure after the AIA has been deducted off will be included in the 'special rate pool' and will qualify for allowances at 8 per cent a year.

Example 4

James sells tropical fish. His accounts run from 6 April 2012 to 5 April 2013. He incurs the following expenditure:

- £20,000 **before** 1 January 2013 on new electrical and central heating systems for his main shop, which comprise 'integral features' qualifying for 8 per cent WDAs
- £80,000 **after** 1 January 2013 on a new van and other general equipment, qualifying for 18 per cent WDA.

His maximum amount of AIA for the period is £81,250 but he can only claim a maximum of £25,000 for the period to 31 December 2012.

James decides to allocate his AIA first against the £20,000 he spent on integral features which would qualify for WDAs at 8 per cent and which he brought before 1 January 2013 when the AIA was increased. So, he has a maximum entitlement of £25,000 for this part period - more than enough to cover the £20,000 he incurred. He decides to set the balance of his maximum AIA, that is £61,250 (£81,250 - £20,000) against his expenditure in the period from 1 January to 5 April 2013, leaving (£80,000 - £61,250) = £18,750 unrelieved by the AIA, on which he can claim WDAs of £3,375 at 18 per cent. The remaining (£18,750 - £3,375) = £15,375 is carried forward in the main pool to the next year.

Small pools of £1,000 or less

If the balance in either your main pool or special rate pool after:

- adding any new expenditure to any pool balance carried forward from the previous year
- deducting any AIA claimed on new expenditure, and
- deducting any proceeds from any items in the pool you may have sold

is £1,000 or less at the end of a 12 month chargeable period, you may claim that whole amount as a 'Small Pools Allowance', instead of the 18 per cent or 8 per cent WDAs, that you might otherwise have claimed on the balance in your main pool or special rate pool respectively. This does not apply to single asset pools – see 'What if I use plant and machinery only partly for business purposes?' on page 6 of this helpsheet.

Example 5

Paul has a shop. His accounts run from 6 April 2012 to 5 April 2013. He spent £25,500 on general equipment before 1 January 2013. The balance of unrelieved expenditure brought forward in his main rate pool is nil. His maximum AIA entitlement for the expenditure he incurred before 1 January 2013 is £25,000, which he claims. This leaves £500 in his main pool, which is less than £1,000, and so Paul can claim the remaining £500 as Small Pools Allowance.

Example 6

John spent £1,500 on equipment and brought forward a pool of £700 from 2011-12. He can claim the full £1,500 as AIA and the £700 pool brought forward as Small Pools Allowance.

100 per cent first year allowances

You can claim 100 per cent capital allowance in the chargeable period in which you incur expenditure on:

- designated energy-saving or water efficient equipment used in your business for more information go to etl.decc.gov.uk
- equipment for refuelling vehicles with natural gas, biogas or hydrogen fuel,
- new and unused zero-emission goods vehicles, for more information go to hmrc.gov.uk/budget2010/bn05.htm even if you have otherwise used up your AIA
- new, unused cars with low CO₂ emissions of not more than 110g/km. Cars are not eligible for the AIA.

For more information go to hmrc.gov.uk/manuals/camanual/CA23100.htm

What if I use plant and machinery only partly for business purposes?

Where you use an item of equipment for both business and private purposes, the allowances you claim should be reduced by the amount of your private use, so that only the business use proportion is taken into account. To do this, put each item which has any private use into a separate 'single asset' pool, and reduce your capital allowances by the private use proportion.

Example 7

Gordon buys some tools for £5,000 and a van costing £10,000. The tools are used only for the business. The van is used 60 per cent for the business and 40 per cent for private use. If it were not for the non-business use, Gordon could claim the full amount as AIA. However, capital allowances are only available for business expenditure. Because the van is used for private purposes, he is not entitled to that amount of AIA (or WDA) that relates to its private use, which is 40 per cent of the cost of the van or £4,000.

This means that the AIA he can claim is:

Tools	£5,000
Van (£10,000 <i>minus</i> £4,000)	£6,000
Total AIA	£11,000

Cars do not qualify for AIA. Therefore, if a car with CO₂ emissions of 159g/km costing £12,000 was bought after 6 April 2012 (for cars bought before 6 April 2009 see page 11 of this helpsheet) and is used 60 per cent for business and 40 per cent for private use, the expenditure on the car would go into a separate pool.

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0845 9000 444**
 - the SA Orderline on **0845 9000 404** for helpsheets
- or go to hmrc.gov.uk/sa

The 18 per cent writing down allowances of £2,160 (£12,000 x 18 per cent) would be reduced to 60 per cent of that amount, that is to £1,296 (£2,160 x 60 per cent).

Short life assets

The short life asset (SLA) rules let you write off the cost of an asset over its life in your business. This is done by putting the expenditure in a single asset pool and having a balancing adjustment when the asset is disposed of or scrapped. An asset is only an SLA if you elect to treat it as one. You may wish to consider whether to elect if you expect to sell or scrap an asset, for less than its tax written down value, within eight years of the end of the chargeable period in which you acquired it. There is no definition of an SLA. All that matters is that an election is made and that it is not specifically excluded.

Some assets are excluded from SLA treatment (for example, most cars, assets used partly for non-business use and 'special rate items'). You can find a full list of things that cannot be SLAs in the Capital Allowances Manual (CA23620).

If you decide to use this treatment you must let us know in writing no later than the first anniversary of 31 January following the end of the tax year in which you acquired the item. For example, if you bought a computer in the accounting period ended 31 July 2012, you must make the election by 31 January 2015. You cannot withdraw an election once it has been made.

Strictly, each SLA should go into its own separate pool so that the allowances on it are calculated separately. This may not be practicable where assets are held in large numbers, for example, crockery in a restaurant. In such cases calculations that give the correct statutory result, and do not abuse the short life asset provisions, will be accepted even if there is not a separate computation for each asset.

The separate calculation of capital allowances means that when the asset is sold, the allowances given can be adjusted by way of a balancing allowance or charge to bring them in line with actual cost to the business (that is, purchase price less disposal proceeds).

Expenditure on an SLA goes into a single asset pool. No other expenditure goes in that pool. If there has not been a final chargeable period by the cut-off time in the rules, the expenditure in the SLA pool is transferred to the main pool.

For expenditure incurred before 6 April 2011 there was a four year cut-off. The **four year cut-off** is the fourth anniversary of the end of the chargeable period in which the qualifying expenditure on the asset was incurred.

For expenditure incurred on or after 6 April 2011 there is an eight year cut-off. The **eight year cut-off** is the eighth anniversary of the end of the chargeable period in which the asset was incurred.

Example 8

Alice runs a restaurant and her financial year ends on 30 June 2012. On 1 May 2012 she spends £10,000 on cutlery to use in the business. She wishes to make a short life asset election. She must tell HMRC of her decision to use the election by 31 January 2015. She must add all of the expenditure of £10,000 into one single asset pool. After three years, when the cutlery has been written down to £5,514 for tax purposes, Alice sells it for £1,000. These proceeds are deducted from the value in the pool of £5,514 and Alice becomes entitled to a balancing adjustment, an allowance of (£5,514 - £1,000) = £4,514.

Long life assets

A long life asset is an asset whose expected useful life when new is 25 years or more. Long life assets should be included in the special rate pool (WDA rate at 8 per cent). If you work full-time in your business and the amount you spend on long life assets is less than £100,000, the lower rate of writing down allowances does not apply and the expenditure can go into the main pool (WDA rate at 18 per cent).

Assets leased out

You can claim capital allowances (but not first year allowances) for assets you own and lease out under a lease that is not a long funding lease to other users. A lease that began before 1 April 2008 cannot be a long funding lease.

You should consult us or your tax adviser if you think a lease is a long funding lease. Claim capital allowances on these assets in the same way as for assets you use in your business. But first year allowances are not normally available on assets leased out apart from cars with very low CO₂ emissions (for exceeding 100g/km) and, in some cases, designated energy-saving or water efficient plant or machinery where it forms part of the energy or water supply for a building and is leased with the building to which it relates. If you think allowances may be due, discuss this with your tax adviser.

Fixtures

From April 2012 if you purchase or sell a property which contains fixtures (such as kitchen fittings, electrical or heating systems) you must agree the part of the purchase price to be attributed to those fixtures with the other party to the sale. Normally, you should fix your mutual agreement by means of a joint election (called a 'section 198' or 'section 199' election) which you must notify to HMRC within 2 years of the date of transfer. This written election sets out the agreed value of the fixtures and gives enough information to identify buyer and seller, the fixtures and the property transferred. As a seller, the amount you can bring in to any pool as your disposal value will be the same amount as the amount the buyer can bring in as his acquisition value for capital allowance purposes. It is likely to be very much easier to agree the part of the purchase price to be attributed to the fixtures as part of the actual sale agreement, when both sides have maximum negotiating power. If, exceptionally, the parties are unable to reach an agreement, then either party can refer the matter to a First Tier Tribunal within 2 years for an independent determination. If one of the specified ways of determining the value of the fixtures in business property has not been used, then the purchaser will be unable to claim allowances on this expenditure. If you are thinking of buying or selling or leasing a business property for which capital allowances may be available, you should contact your tax adviser. Go to hmrc.gov.uk/manuals/camanual/CA26000.htm for more information.

Disposals of equipment

If you sell or dispose of something that you have used in your business and claimed capital allowances for, the sale proceeds (or the market value if you gave it away or stopped using it in the business), is deducted from the pool. If there is nothing in the pool, or the disposal proceeds exceed the value in the pool, the amount deducted will give rise to a balancing charge.

If the sale proceeds (or market value, if appropriate) are more than the original cost of the asset, you should only deduct the original cost, unless you get the asset from a connected person. If you did, you should deduct the

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
- the SA Helpline on **0845 9000 444**
- the SA Orderline on **0845 9000 404** for helpsheets

or go to hmrc.gov.uk/sa

greater of the cost to them and your cost, if both of them are less than the sale proceeds. Once these adjustments have been made, your writing down allowance is calculated. If the sale price is more than the value of the pool, the difference is a balancing charge and you should include it in your taxable profits.

Example 9

Fred has a pool brought forward of nil for 2012-13, as all his previous expenditure was written off by claiming Annual Investment Allowance (AIA) and Small Pools Allowance. He does not buy any equipment in the year 2012-13. However, he sells a lathe for £11,000. His capital allowance computation for 2012-13 is:

Value brought forward	£0
Minus	
Disposal proceeds	£11,000
Balancing charge	£11,000

Often you will be disposing of items and purchasing new items, which qualify for allowances, in the same year. The following example explains how to calculate your allowances.

Example 10

Jim has a plumbing business. His accounts run from 6 April 2012 to 5 April 2013. For 2012-13 Jim brings forward a balance of £8,500 in his main pool of expenditure from the previous year. He spends £10,000 on new tools **before** 1 January 2013 and spends £70,000 on two new vans **after** 31 December 2012 and he sells his old van for £8,000. For 2012-13 Jim is entitled to claim both an AIA and a Small Pools Allowance, as follows:

Main pool balance carried forward	£8,500
Add	
New expenditure on van and tools	£80,000
Total	£88,500
Minus	
AIA for new expenditure	(£10,000 + £70,000)
Proceeds from sale	(£8,000)
	£88,000
Balance	£500
Minus	
Small Pools Allowance	(£500)
Balance to carry next year	Nil

Example 11

Thomas Telford is an engineer. He started working for himself on 6 April 2012 and decides to draw up his accounts to 5 April each year.

When he started he bought specialist machine tools for £30,000 and a test rig for £5,000. Then on 1 December 2012 he bought a van to use in the business for £20,000. The equipment and van together make a 'main pool' of cost or value. In 2012-13 the expenditure qualifies for Annual Investment Allowance (AIA) and any expenditure over that amount for an 18 per cent writing down allowance.

Thomas decides to close the business on 30 September 2014. He sells the equipment and van for £30,000. This is Thomas' capital allowance computation.

	Main pool	Allowance
Year ended 5 April 2013		
Cost of machine tools	£30,000	
Test rig	£5,000	
Van	£20,000	
Total expenditure	£55,000	
Minus		
Annual Investment Allowance (because expenditure all incurred before 1 January 2013 only £25,000 qualifies for AIA)	£25,000	£25,000
Balance of pool	£30,000	
Minus		
18% writing down allowance (£30,000 x 18%)	£5,400	£5,400
Total capital allowances		£30,400
Value to be carried forward to 2012-13 (£30,000 <i>minus</i> £5,400)	£24,600	
Year ended 5 April 2014		
Value brought forward	£24,600	
Minus		
18% writing down allowance (£24,600 x 18%)	£4,428	£4,428
Total capital allowances		£4,428
Value to be carried forward to 2014-15 (£24,600 <i>minus</i> £4,428)	£20,172	
Period ended 30 September 2014		
Value brought forward	£20,172	
Minus		
Disposal proceeds	(£30,000)	
Balancing charge (on 2014-15 return)		£9,828

Capital allowances and cars

A car is a mechanically propelled road vehicle except where it is:

- constructed in such a way that it is primarily suited for transporting goods of any sort, or
- of a type which is not commonly used as a private vehicle and is not suitable for use as a private vehicle.

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0845 9000 444**
 - the SA Orderline on **0845 9000 404** for helpsheets
- or go to hmrc.gov.uk/sa

This means that vans and lorries are generally not cars, whereas a standard saloon or estate car is a car. Motor homes are also cars. However, certain cars that have been specially modified to be used as driving instructors' cars with additional pedals, are not treated as cars. From 6 April 2009 motorcycles are no longer treated as cars, but motorcycles purchased before that date continue to be treated as cars until you dispose of them, see below.

Cars bought on or after 6 April 2009

The rules for cars changed on 6 April 2009. If you bought a car on or after that date, the allowances you can claim are based on its CO₂ emissions, which are shown on the car's V5 certificate. Cars with CO₂ emissions:

- over 160g/km go into the special rate pool and qualify for writing down allowances at 8 per cent a year
- of 160g/km or less go into the main pool and qualify for writing down allowances at 18 per cent a year
- of 110g/km or less qualify for a 100 per cent first year allowance but they must be new cars, not second-hand.

You can check a car's CO₂ emissions at carfueldata.direct.gov.uk/

Example 12

Your accounts are drawn up for the year to 5 April 2013. You spent £20,000 on a car that you use 100% for your business. It has CO₂ emissions of 165g/km. The calculation is:

Cost of car	£20,000
Minus	
Writing down allowance (£20,000 x 8%)	£1,600
Value to carry forward	£18,400
The writing down allowance you can claim is	£1,600

Cars and motorcycles bought before 6 April 2009

If you bought a car or motorcycle before 6 April 2009 the allowances you can claim are based on its cost. This means that if a car or motorcycle cost:

- no more than £12,000 – the cost or value went into the main pool and qualifies for writing down allowances at 18 per cent
- more than £12,000 – it should continue to be pooled in a single asset pool and qualifies for writing down allowances at 18 per cent, which are then restricted to a maximum £3,000 per year.

Example 13

Your accounts are drawn up for the year to 5 April. You spent more than £12,000 on a car before 6 April 2009. The value brought forward at the start of the year is £13,000.

2012-13

Balance carried forward	£13,000
Minus	
Writing down allowance (£13,000 x 18%)	£2,340
(As the allowance is less than £3,000, the full amount can be claimed)	
Value to carry forward	£10,660
The writing down allowance you can claim is	£2,340

These rules continue for a transitional period of five years ending on the last day of the first chargeable period to end on or after 5 April 2015. After this date the balance is moved into the main rate pool.

Where cars are used partly for private purposes the rules are slightly different, these are explained below.

Cars used for private purposes

As with any other piece of equipment, cars which are used partly for private purposes should not be included in either the main or special rate pool. Instead the expenditure is put into a single asset pool and allowances on each car used for both business and private use should be worked out separately. Where the car was purchased before 6 April 2009 the allowance that can be claimed is subject to the pre-6 April 2009 rules (see page 11 of this helpsheet).

Example 14

Jeff bought a car for £20,000 on 1 May 2012, it has CO₂ emissions of 150g/km and is used for 50% private purposes. The calculation is:

Cost of a car	£20,000
Minus	
Writing down allowance (£20,000 x 18%)	£3,600
Value to carry forward	£16,400
Writing down allowance he can claim is (£3,600 x 50% business use)	£1,800

Example 15

Your accounts are drawn up to 30 September. You bought a car with CO₂ emissions under 160g/km for £8,000 in 2010-11 and sell it for £4,400 in 2012-13. You use it 50% for business. The calculation is:

Year 2010-11

Cost of a car	£8,000
Minus	
Writing down allowance (£8,000 x 20%)	£1,600
Value to carry forward	£6,400
The writing down allowance you can claim is (£1,600 x 50%)	£800

Year 2011-12

Value brought forward	£6,400
Writing down allowance (£6,400 x 20%)	£1,280
Value to carry forward	£5,120
The writing down allowance you can claim is (£1,280 x 50%)	£640

Year 2012-13

Value brought forward	£5,120
Minus	
Sale price	£4,400
Difference = balancing allowance	£720
The balancing allowance you can claim is (£720 x 50%)	£360

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
- the SA Helpline on **0845 9000 444**
- the SA Orderline on **0845 9000 404** for helpsheets

or go to hmrc.gov.uk/sa

Special rules for non-tax year accounting periods

If your accounting period does not correspond with the tax year of 6 April to 5 April, for example, if it runs from 1 September to 31 August, or perhaps is shorter or longer than 12 months, for example, 1 September 2010 to 28 February 2012, the capital allowances you are entitled to may have to be calculated differently. You can find more information in the Capital Allowances Manual at hmrc.gov.uk/manuals/camanual/index.htm

12 month accounting periods that do not correspond with the tax year

If your 12 month accounting period began before the date of the previous change in the AIA, that is, before 6 April 2012 (when the AIA maximum amount was reduced from £100,000 to £25,000) and also straddles the proposed temporary increase in the AIA that takes effect from 1 January 2013 (when the Government plans to increase the maximum AIA from £25,000 to £250,000), then you should calculate your maximum AIA for this transitional period as in the following example.

Example 16

Ryan draws up his accounts for the period from 1 March 2012 to 28 February 2013.

He calculates his AIA entitlement based on:

- (a) the proportion of a year from 1 March 2012 to 31 March 2012, that is,
 $1/12 \times £100,000 = £8,333$, and
- (b) the proportion of a year from 1 April 2012 to 31 December 2012, that is,
 $9/12 \times £25,000 = £18,750$, and
- (c) the proportion of a year from 1 January 2013 to 28 February 2013, that is
 $2/12 \times £250,000 = £41,667$.

Ryan's maximum AIA for this period would therefore be the total of (a) + (b) + (c) = £8,333 + £18,750 + £41,667 = £68,750, although in relation to part (b) (the part period falling on or after 1 April 2012 and before 1 January 2013) no more than a maximum of £22,917 (that is, $11/12$ ths \times £25,000) of Ryan's actual expenditure in that particular part period would be covered by his AIA entitlement. (The restriction to £22,917 is a consequence of the transitional rules applying to the reduction from £100,000 to £25,000.)

Special rules also apply for writing down allowances as the 20 per cent rate was reduced to 18 per cent and the 10 per cent rate to 8 per cent from 6 April 2012. For periods of account that straddle the date of change, you must apply a transitional or hybrid rate.

Example 17

Barry draws up his accounts for the period 1 January 2012 to 31 December 2012. He has no new expenditure but has carried forward £20,000 in his main pool. Because of the change in the rates of writing down allowances he must apply a hybrid rate for 2012-13 only.

Please note that the apportionment **must** be made on the basis of days in the year. This is calculated as follows.

There are 366 days in 2012. The hybrid rate will be:

$$(96/366 \text{ days before 6 April 2012 at } 20\% = 5.25\%) + (270/366 \text{ days on and after 6 April 2012 at } 18\% = 13.28\%) = 18.53\%.$$

Barry's maximum writing down allowance is $£20,000 \times 18.53\% = £3,706$.

Example 18

You draw up your accounts for the period 1 March 2012 to 28 February 2013. You have incurred £75,000 on new equipment of which £5,000 was incurred before 6 April 2012 and £70,000 after 6 April 2012 but before 31 December 2012. You incurred no further expenditure between 1 January 2013 and 28 February 2013. There is also a main pool brought forward of £30,000. This is the capital allowances calculation.

Annual Investment Allowance (AIA) entitlement

Break your period of account into the proportion of a year from:

- (a) 1 March 2012 to 5 April 2012, and
- (b) from 6 April 2012 to 31 December 2012, and
- (c) from 1 January 2013 to 28 February 2013.

The calculation is the same as at Example 16 on page 13 of this helpsheet and your maximum AIA entitlement would be (a) + (b) + (c) = £8,333 + £18,750 + £41,667 = £68,750. The expenditure of £5,000 you incurred in period (a) is less than the maximum of £8,333 that could have been incurred in this part period, and so is wholly allowable. However, the expenditure of £70,000 you incurred in period (b) is more than the maximum of £22,917 that could have been claimed, based on the previous £25,000 AIA cap, so only £22,917 of that expenditure can be covered. So your AIA entitlement is £5,000 + £22,917 = **£27,917**.

Writing down allowance (WDA)

Work out hybrid rate of writing down allowance:

$(36/365 \text{ days before 6 April 2012 at } 20\% = 2\%) + (329/365 \text{ days on and after 6 April 2012 at } 18\% = 16.23\%) = 18.23\%$

Total hybrid rate = 18.23%

Accounting period 2012-13

Unrelieved expenditure brought forward		£30,000	
Add expenditure in 2012-13	£75,000		
Less AIA entitlement	£27,917		£27,917
Balance unrelieved		£47,083	
Total		£77,083	
WDA £77,083 x 18.23% (hybrid rate)		£14,053	
WDA claimed			£14,053
Balance carried forward		£63,030	
Total capital allowances claim = (£27,917 AIA) + (£14,053 WDA)			£41,970

Accounting periods which are less than a year

If your accounting period is less than a calendar year, the amount of AIA and writing down allowances you can claim is reduced accordingly. This also applies to Small Pools Allowance.

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0845 9000 444**
 - the SA Orderline on **0845 9000 404** for helpsheets
- or go to hmrc.gov.uk/sa

Example 19

Annual Investment Allowance

Your period of account is 1 October 2012 to 5 April 2013 (approximately 6 months).

The maximum **Annual Investment Allowance** is restricted to $\frac{3}{12} \times £25,000$ plus $\frac{3}{12} \times £250,000 =$ **£68,750**

Example 20

Writing down allowances

Your period of account is 1 October 2012 to 5 April 2013 (187 days). For unrelieved balance of expenditure in the main pool of, say, £2,000, the **writing down allowance** is restricted as follows:

Writing down allowances (£2,000 x 18%)	£360.00
Restricted for 187 day period ($\frac{187}{365} \times £360$)	£184.44
The writing down allowances you can claim	£185.00

This does **not** apply to first year allowances. In such cases (unless the business is being permanently discontinued, when first year allowances are not due) the full first year allowance can be claimed, and is not proportionately reduced or increased.

Accounting periods which are longer than a year but less than 18 months

If your accounting period is more than a calendar year but less than 18 months, the maximum AIA and writing down allowances you can claim is increased accordingly. This does not apply to first year allowance. In such cases the full allowance you can claim is the full allowance and this cannot be proportionately increased.

However, if your accounting period ends on or after 6 April 2012 and before 31 December 2012 you need to take into account that:

- AIA was reduced from £100,000 to £25,000 and there is a cap on the amount of expenditure incurred after 6 April 2012 that can qualify for the AIA.

If your accounting period starts before 6 April 2012 and ends after 31 December 2012 you also need to take into account that:

- AIA was increased to £250,000 in relation to expenditure incurred on or after 1 January 2013.

You also need to take into account that:

- with effect from 6 April 2012, the rates of writing down allowances were reduced from 20 per cent to 18 per cent a year, in the case of main rate expenditure, and from 10 per cent to 8 per cent a year in the case of special rate expenditure, so that hybrid rates must be applied.

Example 21

Your period of account is 1 March 2011 to 30 June 2012 (16 months 488 days). You brought forward a pool of £30,000 and spent £120,000 on equipment, £95,000 of which was spent after 6 April 2012. All figures are rounded up.

Step 1

(For AIA you can choose to use days or months to apportion the period).

Break your period of account into the periods before and after 6 April 2012.

These are as follows:

1 March 2011 to 5 April 2012	402 days
6 April 2012 to 30 June 2012	86 days
Total	488 day

Step 2

Work out your Annual Investment Allowance (AIA) entitlement. The calculation is:

1 March 2011 to 5 April 2012 (402/366 x £100,000)	£109,836
6 April 2012 to 30 June 2012 (86/365 x £25,000)	£5,890
Maximum AIA for period	£115,726

However, there is a cap on the amount of expenditure that qualifies for AIA where it was incurred after 6 April 2012. This is restricted to £5,890.

Step 3

Work out the hybrid rate of writing down allowances. (You must use days in this calculation.)

(402/366 days before 6 April 2012 at 20% = 21.97%) + (86/365 days on and after 6 April 2012 at 18% = 4.25%) = 26.22%

Total hybrid rate = 26.22%

Step 4

Capital expenditure for period 1 March 2011 to 5 April 2012	£25,000
Capital expenditure for period 6 April 2012 to 30 June 2012	£95,000
Total	£120,000

Step 5

Work out how much you claim for capital allowances:

<i>AIA</i>	
1 March 2011 to 5 April 2012	£25,000
6 April 2012 to 30 June 2012 (restricted because of cap see step 2 above)	£5,890

Total AIA (£25,000 + £5,890) £30,890

This leaves a balance of £89,110 (120,000 minus 30,890 AIA).

Writing down allowance

Unrelieved expenditure for 1 March 2011 to 30 June 2012	£89,110
Balance brought forward from 2010-11	£30,000
Total	£119,110

WDA due for month period is (£119,110 x 26.22% hybrid rate) £31,231

Balance carried forward to next year (£119,110 minus £31,231) £87,879

Total capital allowances claim £30,890 AIA + £31,231 WDA £62,121

Similar rules apply to Small Pools Allowance (SPA), which should be proportionately increased if your period of account is longer than 12 months.

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0845 9000 444**
 - the SA Orderline on **0845 9000 404** for helpsheets
- or go to hmrc.gov.uk/sa

Example 22

Your period of account is 1 April 2011 to 31 August 2012 (17 months). The maximum Small Pools Allowance would be $17/12 \times \text{£}1,000 = \text{£}1,417$ (rounded up to the nearest pound).

Accounting periods longer than 18 months

If your accounting period is longer than 18 months you should split it into shorter periods and make separate capital allowance calculations for each of them.

The first 12 months will form a period and each subsequent 12 month period, or period of less than 12 months, will form further periods.

For example, if the period of account is the 20 months from 1 January 2011 to 31 August 2012 you should split it into 12 months to 31 December 2011 and 8 months to 31 August 2012 and apply the rules above.

Gaps and overlapping accounting periods

If there is a gap between two periods of account you should add it to the first period of account. For example, if accounts are drawn up for the year to 31 December 2011 and the period 1 April 2012 to 31 December 2012, you should add the period from 1 January 2012 to 31 March 2012 to the year ended 31 December 2011.

If there is an overlap between two periods of account, treat the overlap period as part of the first period of account only. For example, if accounts are drawn up for the 15 months to 31 March 2012 and for the year ended 31 December 2012, treat the period 1 January 2012 to 31 March 2012 as being part of the 15 months to 31 March 2012 only.

Starting your business

If you started in business between 6 April 2012 and 5 April 2013, your Annual Investment Allowance (AIA) and writing down allowances are calculated for the period of accounts which starts on the date that your business began.

Example 23

Bob started business on 1 December 2012. He draws up his accounts to 5 April 2013 (126 days). On 1 January 2013 he buys a van for £44,000. He buys no other business assets. His capital allowance computation for the period of account ended 5 April 2013 is:

Cost of van	£44,000
-------------	---------

Minus

AIA	£44,000
-----	---------

(Maximum AIA $(1/12 \times \text{£}25,000 = \text{£}2,083) + (3/12 \times \text{£}250,000 = \text{£}62,500)$, therefore maximum entitlement = $\text{£}2,083 + \text{£}62,500 = \text{£}64,583$, limited to qualifying expenditure incurred).

Ceasing your business

If your business ceases you should deduct from the value of the pool the sale proceeds for any items you sell, or deduct their market value if you keep them. This includes items that were eligible for 100 per cent allowances. If these total deductions are more than the value of the pool, the difference is a balancing charge. If there is any value remaining in the pool, do not work out the writing down allowance, but claim the value remaining as a balancing allowance instead.

The example below shows how. If you sell any items for more than you paid for them, or their value if you keep them is more than you paid for them, you should only deduct only the amount you paid for those items from the pool, and not the sale proceeds or value. However, if you acquired the item from a connected person, you should deduct the greater of the cost to them and your cost if both are less than the sale proceeds.

Example 24

Jackson has been in business for many years. He draws up his accounts to 5 April each year. At 5 April 2012 the value in the pool is £10,000. He stops trading on 1 July 2012. He keeps a word processor with a market value at 1 July 2012 of £2,000. He sells the other business assets for £7,000. His capital allowance computation for 2012-13 is:

Value brought forward	£10,000
Minus	
Disposal proceeds (£7,000 + £2,000)	£9,000
Balancing allowance	£1,000

Partnerships

The partnership can claim capital allowances on assets owned by the partnership. It can also claim capital allowances on plant and machinery owned by one of the partners but which is used in the partnership's business.

Example 25

Lily, Rosemary and Jack are in partnership. They run a casino and use a roulette wheel that belongs to Jack in the casino but do not make any payment to Jack for using it. The partnership of Lily, Rosemary and Jack can claim capital allowances on the roulette wheel.

Mixed partnerships, for example, made up of individuals and companies, are not able to claim Annual Investment Allowance.

Capital allowances for employees

I am an employee, can I claim capital allowances?

Capital allowances will normally be available on the cost to you of equipment it is necessary for you to provide in carrying out your duties as an employee, because your employer does not provide the equipment. Typical examples are office equipment, such as desks and filing cabinets, or tools. Generally, anything you use in your work that has a useful life of at least two years may qualify for an allowance. There are also special rules that apply to certain equipment. These are explained on page 7 of this helpsheet under the heading 'Short life assets'.

Assets and equipment are regarded as 'necessary' if you could not do your job without them. They must be things that each and every person doing your job would have to provide.

i Contacts

Please phone:

- the number printed on page TR 1 of your tax return
 - the SA Helpline on **0845 9000 444**
 - the SA Orderline on **0845 9000 404** for helpsheets
- or go to hmrc.gov.uk/sa

Motor vehicles and bicycles

You cannot claim capital allowances for a car, van, lorry, motorcycle or bicycle that you provide. But if you use your own vehicle for work and your employer has not paid you for business mileage, or has paid you less than the maximum tax free amount, you can claim a deduction for mileage allowance expenses. Include this in box 17 on the *Employment* page, (see the notes for box 17 on page EN 6 of the *Employment notes*).

Do I have to claim allowances for inexpensive items of equipment?

Instead of claiming capital allowances, you may be able to claim an expenses deduction for the full cost of some items in the year they are acquired.

This applies if:

- the cost of the item is small, and
- the item replaces one on which capital allowances have not been claimed.

Examples of the sort of items that can be dealt with in this way are small tools, such as electric drills, or protective clothing such as safety boots or helmets. For more information, ask us or your tax adviser.

Example 26

Your period of account runs from 6 April 2012 to 5 April 2013. You have spent £45,000 on general equipment before 31 December 2012 and the total expenditure is pooled. You can claim £25,000 of this as an Annual Investment Allowance (AIA). The balance of £20,000 qualifies for a 18% writing down allowance, which is £3,600. The amount remaining in the pool after deducting the AIA and WDA is £16,400 and should be carried forward to the next year.

Example 27

John has been an employee for two years. For 2012-13 he spent £1,500 on equipment, and brought forward a pool of £700 from 2011-12. He can claim:

- the full £1,500 as an Annual Investment Allowance, and
- the £700 pool brought forward as a Small Pools Allowance.

Paul has been an employee for three years. The balance in his pool at the start of the year is nil. For 2012-13 he spent £25,500 on equipment by 31 December 2012. He can claim:

- £25,000 as AIA, and
- because the remaining £500 is pooled and it is less than £1,000, he can claim £500 as a Small Pools Allowance.

What if I receive a subsidy from my employer?

If you receive a payment from your employer to cover depreciation of the asset you use, this will reduce your entitlement to AIA and writing down allowance. Expenditure on the asset must also be put into a single asset pool.

Example 28

Ginger is an employee who works from home. She purchases a computer, printer and fax machine for £3,000 to use wholly for the purposes of her work. Her employer pays her a partial depreciation subsidy of £1,000 to cover part of the depreciation of these assets. Ginger claims an AIA on her expenditure of £3,000, but this **must** be reduced to £2,000 to reflect the partial depreciation subsidy.

Where the subsidy is paid over a period of years, the allowance you claim each year should be restricted by a just and reasonable amount to reflect the amount of depreciation your employer is prepared to subsidise.

What happens if I started my employment during the year?

If you have not been an employee for a full year, or stopped being an employee during the year, your AIA and WDA, if required, must be apportioned on a time basis and reduced accordingly.

If you have used up your AIA, you are entitled to the appropriate WDA but this should also be proportionately reduced.

Other capital allowances

Business Premises Renovation Allowance (BPRA)

The BPRA scheme took effect from 11 April 2007. The scheme was originally due to end on 10 April 2012, but has been extended to 5 April 2017 for Income Tax purposes (or 31 March 2017 for Corporation Tax purposes). It covers expenditure on the conversion or renovation of empty business premises in order to bring them back into business use.

You are entitled to claim a 100 per cent allowance for the capital costs incurred, subject to the following rules.

To qualify for BPRA, the premises must:

- not have been used for any trading or other business activity, or as offices, for at least one year before the works began
- be in an Assisted Area, that is, an area which is considered to be disadvantaged and eligible for national regional aid. The whole of Northern Ireland qualifies as an Assisted Area and to see whether any particular area in England, Wales or Scotland qualifies, go to stats1.bis.gov.uk/regional-aa/aa2007.asp
- be available for business or commercial use after the works are complete (but not for farming, fisheries, aquaculture, the manufacture of substitute milk products or synthetic fibres, shipbuilding, steel or coal industries).

From 11 April 2012 qualifying expenditure has been capped at €20 million per project. A project is generally a building.

BPRA cannot be claimed:

- where the building has been used for farming, fisheries, aquaculture, the manufacture of substitute milk products or synthetic fibres, shipbuilding, steel or coal industries)
- from 11 April 2012 where the business that has incurred the expenditure is in difficulty, or subject to an outstanding recovery order
- if the conversion or renovation expenditure has been incurred on any residential property, or
- on the costs of acquiring the land or empty building or of extending the business premises, or
- developing land next to the business premises.

For more information about BPRA and the conditions you must satisfy to claim the allowance on our website. Go to

hmrc.gov.uk/manuals/camanual/ca45000.htm

Flat Conversion Allowance

Flat Conversion Allowance (FCA) is a 100% allowance designed to encourage the conversion of empty or underused space above shops and other commercial premises to residential use. The scheme is sometimes referred to as Flats Over The Shop (FOTS). The scheme will no longer apply after 6 April 2013.

More information about the allowance can be found in the Flat Conversion Allowance section of the Capital Allowances Manual. Go to hmrc.gov.uk/manuals/camanual/ca43000.htm

In summary, in order to qualify for the allowance the flats must be available for short-term letting. The property in which the flats are situated must have been built before 1980. Conversion or renovation works in an extension to a property built before 1980 that are completed by 31 December 2000 can also qualify for FCA.

Allowances are not available if the flats that are created have rental rates that exceed the following values:

Number of rooms in flat	Flats in Greater London	Flats elsewhere
1 or 2 rooms	£350 per week	£150 per week
3 rooms	£425 per week	£225 per week
4 rooms	£480 per week	£300 per week

The property must not have more than four storeys above the ground floor. An attic counts towards this total if it can be lived in.

Entering capital allowances on your return

You can claim capital allowances by completing the relevant capital allowances boxes on your return. The boxes to be completed will vary depending on the type of return and/or supplementary page. There may be a specific box for a particular type of allowance, or you may have to include several allowances in one box, or you may have to include all the allowances in a total capital allowances box.

If one box is to be used for more than one type of allowance, you should add all the different allowances together and enter the total in the relevant box.

Where there is just one capital allowances box, all the different types of allowances claimed should be added together and the total entered in the box. On some forms you should claim the Small Pools Allowance in one of two boxes depending on which pool is being written off.

The table starting on page 22 of this helpsheet will help you find the right box for the type of allowance you want to claim where there is more than one capital allowances box on the return.

These notes are for guidance only and reflect the position at the time of writing. They do not affect any rights of appeal. Any subsequent amendments to these notes can be found at hmrc.gov.uk/selfassessmentforms

Type of allowance	Return	Supplementary page/section	Box number
Annual Investment Allowance (AIA)	Individual main tax return	Self-employment (short)	22
		Self-employment (full)	48
		UK property (not FHL)	32
	Partnership Tax Return	Trading and professional income	3.13A
		UK property (not FHL)	1.35A
	Non-resident company liable to Income Tax	Furnished holiday lettings	2.18
Other property income		2.51	
Writing down allowance (WDA) at 18%	Individual main tax return	Self-employment (short)	24
		Self-employment (full)	49
		UK property (not FHL)	32
	Partnership Tax Return	Trading and professional income	3.14A
		UK property (not FHL)	1.34
	Trust & Estate Tax Return	Trade	1.14
		UK property (not FHL)	3.35
		UK property (FHL)	3.13
	Non-resident company liable to Income Tax	Furnished holiday lettings	2.18
		Other property income	2.53
Small Pools Allowance (SPA)	Individual main tax return	Self-employment (short)	23
		Self-employment (full)	49 or 50
		UK property (not FHL)	32
	Partnership Tax Return	Trading and professional income	3.14A or 3.16
		UK property (not FHL)	1.34
	Trust & Estate Tax Return	Trade	1.14
Non-resident company liable to Income Tax	Furnished holiday lettings	2.18 or 2.20	
	Other property income	2.53 or 2.55	
Allowances at 8%	Individual main tax return	Self-employment (short)	24
		Self-employment (full)	50
		UK property (not FHL)	32
	Partnership Tax Return	Trading and professional income	3.16
		UK property (not FHL)	1.36
	Trust & Estate Tax Return	Trade	1.16
		UK property (not FHL)	3.35
	Non-resident company liable to Income Tax	Furnished holiday lettings	2.20
		Other property income	2.55

Type of allowance	Return	Supplementary page/section	Box number
First year allowance (FYA) at 40%	Individual main tax return	Self-employment (short)	24
		Self-employment (full)	54
		UK property (not FHL)	32
	Partnership Tax Return	Trading and professional income	3.20
		UK property (not FHL)	1.36
	Non-resident company liable to Income Tax	Furnished holiday lettings	2.18
Other property income		2.61	
Allowances at 100% (that are not AIA or FYA)	Individual main tax return	Self-employment (short)	24
		Self-employment (full)	54
		UK property (not FHL)	32
	Partnership Tax Return	Trading and professional income	3.20
		UK property (not FHL)	1.36
	Trust and Estate Tax Return	Trade	1.20
		UK property (not FHL)	3.35/3.35A/21.9
	Non-resident company liable to Income Tax	Furnished holiday lettings	2.18
Other property income		2.61	
Restricted allowances for cars costing more than £12,000	Individual main tax return	Self-employment (short)	24
		Self-employment (full)	51
		UK property (not FHL)	32
	Partnership Tax Return	Trading and professional income	3.14
		UK property (not FHL)	1.36
	Trust and Estate Tax Return	Trade	1.14
	Non-resident company liable to Income Tax	Furnished holiday lettings	2.18
		Other property income	2.61
Other allowances	Individual main tax return	Self-employment (short)	24
		Self-employment (full)	54
		UK property (not FHL)	32
	Partnership Tax Return	Trading and professional income	3.20
		UK property (not FHL)	1.36
	Trust and Estate Tax Return	Trade	1.20
		UK property	3.35
	Non-resident company liable to Income Tax	Furnished holiday lettings	2.18
Other property income		2.61	