

Super Deduction Tax



The more companies look to invest in capital equipment, the more amount of business a UK leasing company will do.

The impact of the Super Deduction Tax on leasing and asset finance:

What does super-deduction tax break mean?



You can claim 130% of what you spend on equipment against taxable profits. So every £1 you spend you would receive 25p.



What is the tax saving impact of super-deduction tax?

A company spending £50,000 on assets in a year would get £65,000 of tax relief. At 19% tax, that would mean a tax saving of £12,350.

How does super-deduction tax apply to leasing?



You should be able to claim the 130% super-deduction tax relief when you sign a lease purchase agreement. From a Corporation Tax planning exercise, the tax position on lease purchase agreements is the same as if you were to pay cash for the asset.



What is the situation regarding leasing/financing of non-qualifying assets?

You could take out a lease purchase agreement on the qualifying assets and a business loan on the non-qualifying assets.