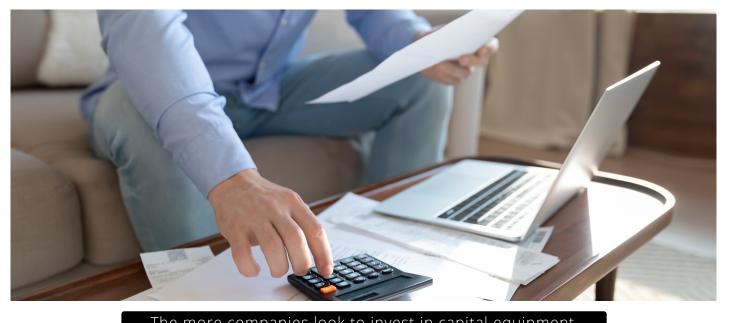


Super Deduction Tax



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 send on equipment against taxable profits. So every £1 you spend you would receive 25p.

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 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.



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 nonqualifying assets.