**Quick guide:** Super Tax

From 1 April 2021 to 31 March 2023, companies will be able to claim a 130% super-deduction capital allowance on qualifying **plant and machinery** investments and a 50% first-year allowance for qualifying special rate assets.

The super-deduction will allow companies to cut their tax bills by up to 25p for every £1 they invest.

What is **plant and machinery**?
Most tangible capital assets used in the course of a business are considered plant and
machinery for the purposes of claiming capital allowances.
There is not an exhaustive list of plant and machinery assets. The kinds of assets which may
qualify for either the super-deduction or the 50% FYA include, but are not limited to:

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

More detail on the eligibility of different types of investments for different types of capital
allowances is set out in the table below.

**What should you do?**

- Speak with your accountant and get some advice.

**What can Mear Technology do?**

- Mear Technology can help supply hardware.
- Arrange finance on the capex purchases to reduce impact on cash flow.

**How does it work?**
The 'super-deduction' effectively means that for companies paying corporation tax at 19%, for every £100,000 they spend on a variety of assets they get a £24,700 reduction in their tax liability.

**When does it start?**
From the 1st of April 2021 to the end of March 2023

**Who is good for?**
Those companies who are planning a capital spend on assets which will be retained until they have scrap value. Such as IT equipment.