

Annual investment allowance

Help your business grow

What is AIA?

For Hire Purchase agreements, we offer a choice of Fixed Annual investment allowance (AIA) gives businesses an immediate tax deduction for the cost of certain assets rather than the usual spread tax relief. The AIA limit is £1m per tax year.

An Interest Advice Notice to let you know the breakdown of these interest charges.

Taxable profits:



Who can claim?

Any business, except for mixed partnerships (consisting of individuals and companies) and trustees.



Qualifying expenditure covers most assets bought for business use.

(It also applies to hire purchase and possibly leased assets*.)

Eligible assets

- Plant and machinery.
- Office furniture and qualifying equipment.
- Vans, trucks, cranes and diggers.
- Business machines, e.g., printing press.
- Lathes and tooling machines.
- Tractors, combine harvesters and other agricultural machinery.
- Computer hardware and qualifying software, computerised/computer-aided machinery.
- Building fixtures and fittings.
- Wind turbines and optic cabling.
- Gaming machines and amusement rides.
- Driving school cars.

Ineligible assets

- Land.
- Buildings and structures (excluding integral features).
- Cars.
- Existing or gifted assets.

This relief may not be available where there is any form of sale and leaseback or sale and hire purchase back.

Find out more:

Visit lombard.co.uk for more information about AIA.

*For specific tax advice, please speak to your accountant.

Tax reliefs referred to are those applying under current legislation which may change. The availability and value of any tax reliefs will depend on your individual circumstances.

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