

ANNUAL INVESTMENT ALLOWANCE

Did you know that you could offset up to £40,000 in tax when investing in energy technologies through the Government's Annual Investment Allowance (AIA) scheme?

The AIA was introduced by the Government in 2008 with the intention of driving business growth. The scheme is a capital allowance incentive allowing your company to invest up to £1,000,000 in plant or machinery with the benefit of 100% corporation tax relief.

For example, if your company pays 19% corporation tax, you can offset up to £190,000 in tax on large investments in the first year.

Why use AIA for energy technology?

Many companies are unaware that energy saving technologies such as solar panels, can be purchased using your AIA.

A solar PV system will allow you to turn your often overlooked roof space into an asset that can generate free green electricity for your company; reducing your energy bills and your carbon footprint.

Solar PV AIA example

A company purchasing a solar PV system at a cost of £100,000 would be able to off-set £20,000 of the cost against pre-tax profits (assuming the company paid 20% corporation tax).

Changes to the Annual Investment Allowance

Since the 1st April 2008, the AIA has been reviewed each year as follows (for Limited companies);

- £1 Million from 1st January 2019 – 31st December 2020
- £200,000 from 1st January 2016 – 31st December 2018.
- £500,000 from 1st April 2014 – 31st December 2015
- £250,000 from 1st January 2013 – 31st March 2014
- £25,000 from 1st April 2012 – 31st December 2012
- £100,000 from 1st April 2010 – 31st March 2012
- £50,000 from 1st April 2008 – 31st March 2010

How to enquire about the AIA

If you are interested to find out more how your company can take advantage of the AIA, contact GB Solar and we will put you in touch with our leading Chartered Accountants – Landin & Wilcock – to discuss your eligibility and how to apply.

In addition, you can also find more information on the Government's [annual investment allowance](#) page.