



Barlow Andrews

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Green is Good for Tax

More and more tax savings are offered to businesses that seek to reduce their carbon footprint.

Company Cars

If you buy your employee a car with carbon emissions of less than 110 g/km, you will be able to claim 100% tax relief on the cost of the car against your business profits. Otherwise, the maximum tax relief is limited to £3,000 per year.

There is also tax relief for the employee and employer to have a “green” car. Petrol cars below 120 k/gm attract only a 15% benefit in kind charge. This also reduces the NIC cost for the employer.

Offering cars such as the Citroen C1, Toyota Aygo or Peugeot 107, makes this route a very effective way to reward employees.

100% Tax Relief and Cash Back

By buying assets that fall within the energy-saving and environmentally-beneficial enhanced capital allowances regime, 100% tax relief can be claimed for items such as air-conditioning, lighting, heating and insulation and water efficiency systems.

Tax relief against the full cost can considerably reduce the taxable profit and improve the cash flow position of the company.

Furthermore, companies that invest in “green” plant and machinery can also, in certain circumstances, get a cheque from the Inland Revenue of up to 24% of their cost.

If you would like to know how to save tax by going green, please contact Mark Sheen at mrcs@barlow-andrews.co.uk or Tim Lwin at tl@barlow-andrews.co.uk.