

Tax Benefits - explained

Profit £100,000

Corporation Tax at 28% = £28,000

Tax reduction for £50,000 investment

Enhanced Capital Allowances 100%

Normal capital allowances 20%

$£50,000 \times 28\%$
= £14,000

$£10,000 \times 28\%$
= £2,800

Net tax saving for £50,000 investment in ECA qualifying equipment = **£11,200**

* Enhanced Capital Allowances are separate from any other capital allowances categories

