

## **Preface to 2019-20 edition**

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For this 2019-20 edition, we have once more taken full account of statutory and case law developments, and of updated HMRC guidance material. Examples have all been reviewed and updated as appropriate, and the commentary has again been expanded in places to reflect real cases dealt with by the authors since the previous edition.

The opportunity has also been taken to cut back coverage of allowances that have now been withdrawn. Brief commentary on these allowances may now be found in **Chapter 30**.

### ***Key changes for this edition***

Some of the main changes for this 2019-20 edition have been as follows:

- comment on precedent status of First-tier Tribunal decisions (**1.3.3**);
- clarification re interaction of lease premium relief and capital allowances (**1.5.2**);
- commentary on the nature of trade, especially in the context of serviced accommodation (**3.2**);
- clarification of the effects of sections 21 and 22 (buildings and structures) – *SSE Generation* as subsequently reversed by FA 2019 (**4.2.4**);
- case of *May v HMRC* re silo qualifying as plant because it performed a plant-like function (**4.3.4**);
- illustration of practicality of claiming for integral features when a property bought before 2008 starts to be used for a qualifying activity (**4.10.1**);
- expanded commentary on pre-trading expenditure (**4.17.2**);
- detailed coverage of the changing threshold for AIAs, both at 1 January 2019 and 1 January 2021, including full details of the complex transitional rules that apply (**5.2.7** and **5.2.8**);

- reduction in special rate of writing-down allowances, including transitional rules (5.3.5), with updated examples;
- additional commentary re restriction of first-year allowances re private use (5.4);
- *Daarasp* case re long-life asset expenditure (5.4.2);
- changing tax regime for non-resident companies with UK property businesses (5.5.2);
- finance lease amendments as a result of changes to accounting standards (6.1.3);
- changes to long funding lease regime as a result of changes to accounting standards (7.1.2);
- amended definition of “short lease” for purposes of long funding leasing rules (7.2.5);
- additional commentary on the car/van distinction, in the light of the Upper Tribunal *Coca-Cola* decision (9.2.3);
- additional HMRC guidance re distinction between fixtures and chattels (10.2.1);
- comment on the potential difficulty of granting a lease, to allow the tenant to claim allowances, because of the energy efficiency regulations (10.3.3);
- a complication arising re integral features when a landlord grants a new lease (10.5.9);
- new example illustrating the practical use of the “disposal value statement requirement” (12.5.5);
- *Glais House* case re restrictions for claims by former owners (12.7.5);
- the importance of CPSEs in relation to structures and buildings allowances (12.11.5);
- updated HMRC guidance re treatment of aircraft as long-life assets (16.2.5);
- detailed coverage of the new structures and buildings allowance (Chapter 24); and
- additional HMRC guidance and examples re R&D allowances (Chapter 26).

Once more, many of the changes in this edition arise from real issues addressed in my capacity as a technical director for Six Forward Capital Allowances, run by Jake Iles. We have continued to work together on a wide range of cases. Jake's business and valuation skills complement my own detailed knowledge of the *Capital Allowances Act*, and once more I am delighted to have Jake as supporter and co-author.

This book is complemented by the *A-Z of Plant & Machinery*, written by the same authors and also available from Claritax Books. The *A-Z* takes a detailed look at more than 300 types of common expenditure, showing whether (or in what circumstances) the expenditure is likely to qualify for plant and machinery allowances.

Ray Chidell

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