

A new 130% first-year capital allowance for qualifying plant and machinery assets. You could cut your tax bill by up to 25p for every £1 you invest!

Following the super-deduction announcement made in the April 2021 budget, from 1 April 2021 until 31 March 2023 is a great time for UK manufacturers to invest in new plant and machinery, including air compressors, low pressure blowers, dryers, chillers and industrial gas generators.

Take advantage of the super deduction tax break and upgrade your compressed air, industrial gas or process cooling installation

What is the super-deduction?

The super-deduction tax break started on April 1st 2021 and runs for 2 years until March 31st 2023 . It means that businesses can claim 130% first-year capital allowances against their corporation tax for main rate plant and machinery investments.

This is a great incentive for UK manufacturers to invest in the latest, energy efficient compressed air and industrial gas technologies, which will not only improve productivity compared to competitors who use older equipment, but also positively affect the company's long term sustainability and profitability. By investing in new state of the art energy efficient compressed air equipment from Atlas Copco companies will also reduce their energy costs.

Which Atlas Copco products qualify for the super deduction?



Air Compressors



Oil-Free Air Compressors



Low Pressure Blowers



Containerised Compressor Room



Air Dryers



Oxygen Generators



Nitrogen Generators



Industrial Chillers

Can you give me an example of super-deduction savings?

- If you invest £100,000 in air compressors you can deduct £130,000 (130% of the initial investment) from taxable profits. As the current UK corporation tax rate is 19% you will save 19% of £130,000 on your corporation tax bill which equals £24,700.
- If you invest £8000 in air compressors you can deduct £10,400 from taxable profits and you'd save 19% of £10,400 on your corporation tax bill which equals £1976. In these examples it effectively saves about a quarter of the purchase price.

Who is eligible?

Companies within the charge to corporation tax on or after 1st April, 2021.

If you have already contracted the purchase it will not be covered. Likewise, if you are drawing down equipment from an existing umbrella agreement it is not covered.

Financial advice

Please note this flyer does not provide any investment, financial, or tax advice. We advise businesses to consult with their own legal and financial advisors and tax experts.

Find out more about super-deduction

Read more UK Gov guidance: <https://www.gov.uk/guidance/super-deduction>

Read the [British Compressed Air Society fact sheet](#)