



Capital Allowances

Structure & Buildings Allowance (SBA)

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The qualifying criteria for SBAs, introduced by the Chancellor in his October 2018 budget are:

1. All construction contracts must have been signed on or after 29 October 2018 and the structure must:

- Have not been used as a residence the first time it was used or during the period you're claiming for
- Be used for a qualifying activity
- Have an allowance statement

If you claim this allowance and the structure is sold or demolished you may have to pay more Capital Gains Tax or Corporation Tax than usual. You should check if claiming the structure and buildings allowance is right for you.

2. The structure must be used for a qualifying activity, which is taxable in the UK, these include:

- Any trades, professions and vocations
- A UK or overseas property business (except for residential and furnished holiday lettings)
- Managing the investments of a company
- Mining, quarrying, fishing and other land-based trades such as running railways and toll roads

3. You can only claim on construction costs, which include:

- Fees for design
- Preparing the site for construction
- Construction works
- Renovation, repair and conversion costs
- Fitting out works

4. If you build or renovate a structure, you can claim on the amount you spent on construction costs, even if you lease the structure from somebody else.

To find out more information visit [elect.tax](https://www.elect.tax) or [click here](#) to book a free, no obligation consultation.

You cannot claim on costs:

- For any residence or any structure located in the grounds of a residence
- Which also qualify for plant and machinery allowances
- You've already used to claim another allowance for other items included in the price of the structure, such as land

Rates of Relief:

- Introduced at 2% on a straight line basis
- Increased to 3% from 1 April 2020

