

CAMPING PODS MAY QUALIFY FOR CAPITAL ALLOWANCES

A recent case before the First Tier Tribunal will be of interest to businesses operating campsites and also farmers who have diversified into “glamping” by installing camping pods on their land. The capital allowances legislation states that caravans provided mainly for holiday lettings and buildings intended to be moved for the purposes of the qualifying activity, such as building site portacabins, qualify as plant and machinery.

In the recent case the Tribunal determined that certain camping pods which were not connected to mains drainage qualified as plant as they were potentially moveable buildings. This means that where a limited company incurs expenditure on new pods, the 100% AIA and “full expensing” relief would be available and 100% AIA would be available in the case of an unincorporated business.

HMRC may be appealing the decision of the Tribunal, but in the meantime it would be beneficial to make a claim for tax relief and we can review your circumstances to see if they are similar to this recent case.