

CAPITAL ALLOWANCES

In November's enews we reported on proposed changes to the capital allowances system and HMRC have now issued a 91 page document including draft legislation.

In a written statement the Financial Secretary to the Treasury, Jane Kennedy, said:

'The government announced a major package of reforms to the business tax system in Budget 2007. These reforms will enhance the international competitiveness of the UK, by encouraging investment, promoting innovation and ensuring fairness across the tax system.

The publication of the draft legislation marks a significant milestone in the implementation of this major series of reforms, which will enable the UK's tax system to encourage businesses to invest for the future.'

The legislation is draft at this stage and we will let you have more information on the details of the proposals in the New Year.

Internet Links: [HMRC statement](#) and [Draft legislation and technical note](#)