

KEY NOTES

For car showrooms



When opening a new car showroom, the first priorities are to concentrate on the supply chain, branding, staffing and attracting new customers to the business. The look and feel of the showroom is crucial in the overall buying experience and businesses often incur significant amount of capital expenditure on lighting, signage, security, heating, air conditioning and floor finishes. In addition, car dealerships also have garage services which also require significant investment in garage equipment, ramps, inspection bays, warm air heating data installations, roller shutter doors and oil disposal systems.

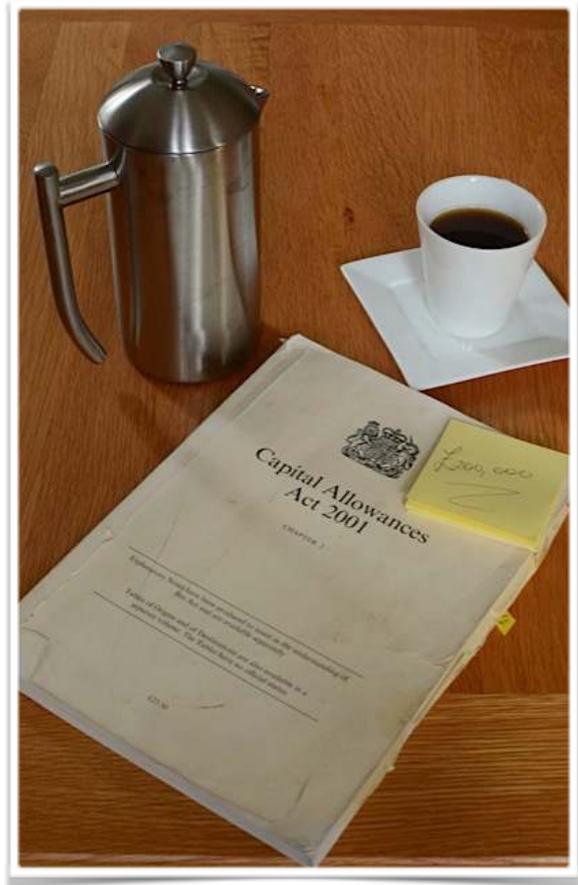
Access to specialist property tax advice is vital for car dealerships considering the cash flow benefits that it brings

Where the property is either leased or purchased the property may contain some fixtures and fittings, however it is common that the new owner replaces some of these fixtures as part of the fit out. Like any new business, car dealerships may be entitled to benefit from tax savings in the form of capital allowances when they purchase and fit out their premises.

Your accountant will have a great deal of experience of claiming capital allowances on items which are within the fixed asset register. They will typically garage equipment such as ramps, diagnostic testing facilities and racking. However, where a property is purchased, refurbished or fitted out, a specialist survey is often required in order to identify and correctly value tax deductible items which are inherent in the purchased property or contained within your contractor's cost documentation. Cavetta Consulting work together with your accountant to help you maximise the tax relief which you are entitled to.

Car dealerships may be entitled to benefit from a number of property tax reliefs in connection with the purchase, fit out and maintenance of their premises, including:

- 8/18% Plant and Machinery Allowances
- 100% Business Premises Renovation Allowance
- 100% Enhanced Capital Allowances
- 100% Repairs and Maintenance
- 150% Land Remediation Relief (for companies)



“We do not undertake any appointment where we cannot add value to that business.”

ALAN CADDEN

The government also provides an Annual Investment Allowance, which gives 100% relief for the first £200,000 of qualifying expenditure.

Where a business is able to fully utilise its Annual Investment Allowance, qualifying expenditure of £10,000 on fit out costs could translate into a £2,000 cash saving for basic rate personal or corporate taxpayer or £4,000 for a higher rate personal taxpayer (assuming that no personal or other allowances are available).

At Cavetta Consulting our directors have considerable experience advising businesses, property investors, landlords and occupiers on all capital allowances implications that impact their business.

We offer a no obligation review of completed or potential schemes in order to determine whether a viable claim for property tax reliefs can be claimed. Our fee structure is tailored to take account of the tax status of the individual or business and is designed to add value to your business.

If you would like to further information, please contact either Lois or Alan. Alternatively you can email us at info@cavettaconsulting.com.

In the desire to generate income from a new business, valuable property tax relief is often forgotten about and left unclaimed



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