



CAPITAL ALLOWANCES IN THE ISLE OF MAN

In calculating the taxable trading profits in the tax computation of an Isle of Man trading entity, capital allowances are available as follows:

Capital Allowances	First Year Allowances	Writing Down Allowances
Plant & Machinery	100%	25% (reducing balance basis)
Industrial Buildings	100%	4% (straight line basis)
Tourist Premises	100%	10% (straight line basis)
Agricultural Buildings	100%	10% (straight line basis)

Trading Companies

In all trading companies, capital allowances claimed will reduce the company's taxable/distributable profits. Where appropriate, a capital allowance claim may create a loss which will be available to carry forward to set against future trading profits from the same source.

From the 2006/07 year of assessment onwards Isle of Man companies became taxable at 0%, unless an election has been made to pay tax at 10%. If no 10% election has been made, the 'Attribution Regime for Individuals' (ARI) applied for Isle of Man resident shareholders if less than 55% of the distributable profits in any accounting period was not distributed by way of dividend within 12 months of the year end. ARI was abolished from 6 April 2012, and since then Isle of Man resident shareholders are taxable only on dividends paid out. In all cases, capital allowances will be available where appropriate to the company concerned.

Individuals/Partnerships

A claim for capital allowances will reduce the taxable profits and, where appropriate, may create a loss available to set off against other taxable income, or to carry forward to set against future trading profits from the same source.

If you would like to know more then please contact
Pam Harvey : pam.harvey@crowe.im John Cowan : john.cowan@crowe.im
or Elaine Rudge : elaine.rudge@crowe.im

Crowe Clark Whitehill LLC, 6th Floor, Victory House, Prospect Hill, Douglas IM1 1EQ
Tel: 01624 627335; Fax: 01624 677225; Web: www.crowe.im