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The taxman is a good friend of the green business owner

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Question: I'm fitting out new premises and I want to make it as 'green' and energy efficient as possible. Can I get any tax relief for that?

Aubrey Calderwood, director at investment incentives consultants, Capitus replies:

In short, probably yes, and quite possibly very significant tax relief at that. Buildings are responsible for huge levels of carbon emissions throughout the world. In an attempt to try and reduce these, governments across the globe are using a range of 'carrot and stick' approaches. Northern Ireland is no different.

In the UK, the Government uses tax incentives to encourage investment in green technologies, so-called enhanced capital allowances. This allows companies and individuals investing in such technologies to recoup 100% of the cost of the investment against their tax liabilities.

If you install items such as energy efficient lighting, boilers, air conditioning equipment or grey water recycling equipment in your premises, all of these could potentially attract the 100% tax relief.

I say 'potentially' because it is not enough to specify something that says 'energy saving' on the box. The product must be on what is known as the energy technology product list and that list is virtually endless (see www.eca.gov.uk). If you chose a product that is similar but not on the list at the date you bought it, you could really lose out.

The key message is, consider the potential tax savings of green technologies at the outset of a project and don't assume your accountant will be able to maximise this complex relief after the event.

<http://www.belfasttelegraph.co.uk/business/help-advice/business-clinic/the-taxman-is-a-good-friend-of-the-green-business-owner-15011419.html>