The tax and legal aspects of business

J03: 2020–21 edition

Web update 2: 12 February 2021

Please note the following updates to your copy of the **J03** study text:

Chapter 10, section B2, page 10/5

The final sentence in the final paragraph should now read (amendment in **bold**):

All new expenditure on integral features can qualify for the AIA, or may be covered by the 100% FYA. Where expenditure on this category of assets is not covered by these allowances, it is added to the 'special rate' pool and receives a writing-down allowance (WDA) of **6%**.

Chapter 12, section J3, page 12/25

Please remove the final sentence in the final bullet point:

- Where no lifetime tax was paid because the transfer was wholly within the nil rate band, there would usually be no extra tax to pay on death. This is because it would still be within the nil rate band. However, tax would arise if a previous PET within the seven years before death had retrospectively become chargeable and thereby increased the cumulation to bring it over the IHT nil rate band. ~~This is illustrated in the following example.~~