BINDING GENERAL RULING (INCOME TAX) 7 (Issue 4)

DATE: 9 February 2021

ACT	**:**	**INCOME TAX ACT 58 OF 1962**
SECTION	**:**	**SECTION 11(*e*)**
SUBJECT	**:**	**WEAR-AND-TEAR OR DEPRECIATION ALLOWANCE**

Preamble

For the purposes of this ruling –

- **"allowance"** means the wear-and-tear or depreciation allowance granted under section 11(*e*);
- **"BGR"** means a binding general ruling issued under section 89 of the Tax Administration Act;
- **"qualifying asset"** means machinery, plant, implements, utensils and articles qualifying for the allowance;
- **"Schedule"** means a Schedule to the Act;
- **"section"** means a section of the Act unless otherwise stated;
- **"Tax Administration Act"** means the Tax Administration Act 28 of 2011;
- **"the Act"** means the Income Tax Act 58 of 1962;
- **"the Note"** means Interpretation Note No. 47 (Issue 5);
- **"Value-Added Tax Act"** means the Value-Added Tax Act 89 of 1991; and
- any other word or expression bears the meaning ascribed to it in the Act.

All interpretation notes referred to in this BGR are available on the SARS website at **www.sars.gov.za**. Unless indicated otherwise, the latest issue of these documents should be consulted.

1. Purpose

This BGR reproduces the parts of Interpretation Note 47 (Issue 5) "Wear-and-Tear or Depreciation Allowance" dated 9 February 2021 that comprise a BGR under section 89 of the Tax Administration Act.

2. Background

The Note is a BGR on section 11(*e*) in as far as it relates to –

- the determination of the value of an asset for purposes of section 11(*e*) (paragraph **4.2** of the Note); and
- the determination of the amount that will qualify as an allowance (paragraph **4.3** and the Annexure of the Note).

3. Ruling

The following parts of the Note, which comprise a BGR, are reproduced in the **Annexure**:

- **Paragraph 4.2 –** Value of an asset for purposes of section 11(*e*).
- **Paragraph 4.3 –** Policies on the determination of the amount of the allowance.
- **Annexure –** Schedule of write-off periods acceptable to SARS.

4. Period for which this ruling is valid

This BGR applies to any asset brought into use on or after 24 March 2020.

Head: Leveraged Legal Products
SOUTH AFRICAN REVENUE SERVICE

Date of 1st issue	:	11 April 2011
Date of 2nd issue	:	2 November 2012
Date of 3rd issue	:	24 March 2020

Annexure – Paragraphs 4.2 and 4.3, and the Annexure of Interpretation Note 47 (Issue 5)

4.2 Value of a qualifying asset for purposes of section 11(*e*)

4.2.1 General rule

Although the word "value" is not defined in section 11(*e*), it has always been the policy of SARS, unless otherwise prescribed, to regard the value of a qualifying asset for purposes of determining the amount of the allowance as the taxpayer's cost of acquisition of the asset, that is, the cash cost excluding finance charges. The revaluation of an asset would, for example, have no effect on the value of the asset for purposes of determining the amount of the allowance.[1] Examples of exceptions to this general rule are assets acquired by the taxpayer by donation, inheritance from a person dying before 1 March 2016, distribution *in specie* or from a connected person at a non-arm's length price.

Under paragraph (vii) of the proviso to section 11(*e*), the acquisition cost of a qualifying asset is deemed to be the cost which a person would, if that person had acquired the qualifying asset under a cash transaction concluded at arm's length on the date on which the transaction for the acquisition of that asset was in fact concluded, have incurred in respect of the direct cost of the acquisition of that asset, including the direct cost of its installation or erection. This deemed cost is referred to in this Note as the market value of the asset.

Under section 23C(1), any value-added tax payable (input tax) on acquisition of an asset must be excluded from the cost for purposes of calculating the allowance if the taxpayer is –

- a registered vendor; and
- is or was entitled under section 16(3) of the Value-Added Tax Act to a deduction of "input tax" as defined in section 1(1) of that Act.

The cost pertaining to the acquisition of an asset could, therefore, include –

- the original purchase price (excluding input tax to which the vendor is or was entitled, or including input tax if the vendor was not entitled to a deduction or the taxpayer was not a registered vendor);
- the shipping or delivery charges relating to the delivery of the asset; and
- the costs directly relating to the installation or erection of the asset.

Interest and finance charges must be excluded from the cost of the qualifying asset.

[1] In ITC 1546 (1992) 54 SATC 477 (C) a lessor acquired second-hand furniture and fittings at a bargain price from the liquidator of its lessee. The lessor attempted to claim the wear-and-tear allowance on a revalued amount, based on paragraph (vii) of the proviso to section 11(*e*). The lessor's claim was rejected by the court which held that the allowance was properly claimable on the cost of the articles.

Section 24M(2) provides that if a person acquires an asset and the consideration includes an amount which cannot be quantified in the year of acquisition, so much of the consideration as cannot be quantified must be deemed not to have been incurred in the year of acquisition and instead deemed to be incurred only in the subsequent year of assessment in which it is quantifiable. If the asset is a depreciable asset, the person is given a "catch up" allowance in respect of the expenditure deemed to have been incurred in the subsequent year of assessment when it becomes quantifiable. The "catch up" allowance is equal to the sum of all allowances that the person would have been entitled to in any previous year had the expenditure been incurred in the year of acquisition.

4.2.2 Foundations and supporting structures

Under paragraph (iiA) of the proviso to section 11(*e*) any concrete or other foundation or supporting structure on which a qualifying asset is mounted or to which it is affixed is not regarded as a structure or work of a permanent nature, but is treated as part of that qualifying asset provided that –

- the foundation or supporting structure is designed for the asset and constructed in such manner that it is or should be regarded as being integrated with the asset; and
- the useful life of the foundation or supporting structure is or will be limited to the useful life of the asset mounted on it or affixed to it.

4.2.3 Moving costs

Paragraph (v) of the proviso to section 11(*e*) provides that the value of the qualifying asset must be increased by the amount of any expenditure incurred by the taxpayer in moving the asset from one location to another. Moving costs must thus be written off over the remaining estimated useful life of the asset. For example, if the asset is being written off over five years and moving costs are incurred in year 4, those costs will be allowed as a deduction in years 4 and 5. If the asset has been written off in full, the moving costs will be allowable in the year of assessment in which they are incurred.

4.2.4 Qualifying assets acquired by donation, inheritance, distribution *in specie* or at a non-arm's length price from a connected person

The allowance on a qualifying asset acquired by a taxpayer by donation, inheritance from a person dying before 1 March 2016, distribution *in specie* or at a non-arm's length price from a connected person is based on the market value of the asset. This market value is determined under paragraph (vii) of the proviso to section 11(*e*) (see **4.2.1**).

Taxpayers must ensure that they have the necessary information or documentation readily available when requested by SARS to substantiate the arm's length price of an asset and the inclusion of any amount in the determination of the value of an asset.

The cost of an asset acquired from a deceased person or a deceased estate on or after 1 March 2016 is determined under section 9HA and section 25.

4.2.5 Limitation of allowance granted on a qualifying asset previously held by a connected person (section 23J)

Section 23J was inserted into the Act by section 38 of the Revenue Laws Amendment Act 35 of 2007, and replaced the connected person rule that was previously provided for under paragraph (viii) of the proviso to section 11(*e*). Section 23J was subsequently repealed by section 48 of the Taxation Laws Amendment Act 22 of 2012 with effect from 1 January 2013 in respect of depreciable assets acquired on or after that date.

For an explanation on how section 23J was applied before its repeal, see Issue 3 of this Note (2 November 2012).

4.2.6 Leased assets

The allowance granted to a lessor must be based on the cost of the asset less any residual value, as specified in the lease agreement. Many lease agreements, particularly those involving vehicles, provide for a residual value. This residual value is what the lessor expects the asset to be worth at the end of the lease. At the end of the lease the lessor will usually sell the asset to recover the residual. A lessee who has not returned an asset to the lessor in good condition or who has exceeded the agreed usage criteria (for example, a restriction of 100 000 kilometres over 54 months in the case of a vehicle), must often reimburse the lessor for a decline in the residual value. In this way the value of the asset at the end of the lease is assured. Section 11(*e*) permits a deduction for the amount by which the value of an asset has been diminished by reason of wear and tear or depreciation during the year of assessment. Since the portion of the cost of the asset representing the residual value is guaranteed (that is, it is not subject to diminution in value), there is no justification for granting the allowance on that portion of the cost.

An asset with a cost of R100 leased with an agreed residual of R20, means that the value by which the asset is expected to depreciate over the period of the lease is R80. It is for this reason that lessors are required to reduce the cost of their leased assets by the residual value for the purposes of determining the allowance.

Should any initial amount paid by the lessee not form part of the income of the lessor for income tax purposes, it must be excluded from the lessor’s cost of acquisition of the asset.

At the termination of the lease agreement the residual value is the value of the asset for income tax purposes and any further write-off or recoupment will depend on how the asset is dealt with. As far as the lessee is concerned, the recoupment provisions of section 8(5) will apply.

See also **4.3.3(a)** on the relationship between the write-off periods under the **Annexure** and the lease period.

4.2.7 Limitations of allowances to lessors of certain assets

Section 23A limits the capital allowances claimable by a lessor on “affected assets” under various capital allowance provisions including section 11(*e*). The sum of the deductions allowable on affected assets in a year of assessment under the targeted allowance provisions cannot exceed the taxable income derived during the year of assessment from “rental income”. The terms “affected asset” and “rental income” are defined in section 23A(1). The taxable income is determined before the deduction of the capital allowances.

For detailed commentary on section 23A, see Interpretation Note 53 “Limitation of Allowances Granted to Lessors of Affected Assets”

Under section 23G the lessor in a sale and leaseback arrangement as defined in section 23G(1) is denied an allowance under, amongst others, section 11(*e*) if the receipts or accruals of the lessee or sub-lessee in that arrangement do not constitute income.

4.2.8 Qualifying assets acquired in a foreign currency

Section 25D provides that if any expenditure is incurred by a taxpayer in any currency other than the currency of the Republic of South Africa, it must be translated to rand by applying the spot rate on the date on which the expenditure was so incurred.

A natural person or trust (other than a trust which carries on a trade) may, however, elect that all amounts of expenditure incurred in a foreign currency be translated into rand by applying the average exchange rate for the relevant year of assessment [section 25D(3)].

Special rules apply when the expenditure is attributable to that taxpayer’s permanent establishment outside the Republic and when the taxpayer is a headquarter company, domestic treasury management company or international shipping company. See Interpretation Note 63 “Rules for the Translation of Amounts Measured in Foreign Currencies other than Exchange Differences Governed by Section 24I and the Eighth Schedule” for a detailed discussion on this topic.

4.3 Policies on the determination of the amount of the allowance

4.3.1 Withdrawal of permission to use the debtor accounting system

This policy has been withdrawn for any asset let under an agreement entered into during any year of assessment commencing on or after 1 March 2010. For an explanation on how this policy was implemented see Issue 3 of this Note dated 2 November 2012.

4.3.2 Methods for determining the allowance

In determining the allowance, taxpayers may elect between –

- the diminishing-value method (under this method the allowance for a year of assessment is calculated on the remaining value (also known as the income tax value), that is, the cost of the qualifying asset less an allowance for the previous years of assessment); or
- the straight-line method (under this method the allowance is claimed in equal instalments over the expected useful life of the asset).

It is unnecessary for a taxpayer to notify the Commissioner when changing the method for determining the allowance. Taxpayers must ensure that they have the necessary records supporting the write-off of all assets readily available, should these be requested by the Commissioner.

4.3.3 Write-off periods

Under the diminishing-value method, the allowance must be determined on the income tax value of a qualifying asset during each year of assessment in which the asset is used for the purposes of trade. A taxpayer using the diminishing-value method that wishes to adopt the straight-line method must write off the income tax value of existing assets in equal instalments over their remaining estimated useful lives.

Example 1 – Change from the diminishing-value method to the straight-line method

Facts:

A taxpayer purchased an asset having an estimated useful life of five years at the beginning of year 1 at a cost of R5 400. For the first two years the taxpayer claimed the allowance using the diminishing-value method. At the beginning of year 3 the taxpayer changed to the straight-line method. Determine the wear-and–tear allowance for each of the five years.

Result:

	R
Original cost	5 400
Less: Allowance for year (R5 400 × 20%)	(1 080)
Income tax value at end of year 1	4 320
Less: Allowance for year 2 (R4 320 × 20%)	(864)
Income tax value at end of year 2	3 456

Under the straight-line method, for years 3 to 5 the income tax value at the end of year 2 is written off in three equal instalments, that is, R3 456 / 3 = R1 152 a year.

Under the straight-line method the cost of an asset must be written off in equal annual instalments over its estimated useful life.

(*a*) Qualifying assets for which write-off periods have been listed in the Annexure

The **Annexure** contains a schedule of write-off periods that are acceptable to the Commissioner for assets that are written off on the straight-line method. These write-off periods are acceptable for assets that are used for purposes of trade, including a trade of leasing, and apply to any asset brought into use during a year of assessment commencing on or after 24 March 2020. The assets listed in the **Annexure** are of general application and not intended for specific industries.

Any application to write off an asset over a useful life which is a shorter period than that reflected in the **Annexure** must be fully motivated and submitted to the SARS Branch office where the taxpayer is on register for income tax purposes. The application must be lodged before submission of the return of income in which the allowance is to be claimed. Factors which may result in an asset having a shorter useful life than the write-off period specified in the **Annexure** could, among others, include –

- the environment in which the asset operates; and
- the intensity with which the asset is used.

The factors which must be considered and proven when submitting the application to write off an asset earlier than the period provided in the **Annexure** are set out in paragraph (b) below. The facts and circumstances of each case will be considered to ascertain if the asset qualifies for a shorter write-off period than the period specified in the **Annexure.**

An asset which is let for a period exceeding that prescribed in the **Annexure** must be written off over the period of the lease. In contrast, an asset let for a period shorter than that reflected in the Annexure must be written off over the period reflected in the Annexure unless a shorter period can be motivated as described in the preceding paragraph.

(*b*) Qualifying assets for which write-off periods have not been listed in the Annexure

The period of write-off of any asset not included in the **Annexure** must be determined by its expected useful life.

The following factors must be taken into account in determining the expected life of an asset:

- How long the taxpayer expects the asset to last.
- How the taxpayer expects to use the asset.
- Whether the asset is likely to become obsolete.
- Whether the effective life of the asset is limited to the life of a particular project.

The kind of information that could be useful in determining the expected useful life of an asset includes –

- manufacturer's specifications;
- independent engineering information;
- the taxpayer's own past experience with similar assets;
- the accounting write-off period; and
- the past experience of other users of similar assets.

How the taxpayer expects to use the asset will take into consideration, for example, the specific environment in which the asset is used and the intensity with which the asset is used. For example, assume a machine is generally expected to have an estimated useful life of 5 years. It is possible that a particular taxpayer may use the machine in an environment and in a manner which impacts on the machine's useful life and reduces to less than 5 years. The test is whether the asset is used in a manner that impacts on the asset's useful life (or in the case of an asset in the Annexure, reduces its useful life to less than that specified in the Annexure). Not all decisions taken with regards to assets used by a taxpayer impact on the asset's useful life. For example, a decision to sell an asset before the end of its useful life, or to transfer an asset to a lessee at the end of a lease period which is shorter than the asset's useful life, does mean that asset's useful life is reduced, the asset still has a useful life under a different owner.

If an asset is not included in the **Annexure**, taxpayers must ensure that they have the necessary information or documentation pertaining to the period of write-off readily available when requested by the Commissioner upon assessment or audit of the case as evidence of a reasonable write-off period for the asset in question.

A request to include the write-off period of an asset which does not appear in the Annexure may be sent by e-mail to **CITOpinions@sars.gov.za**. In order to be included in the schedule, the asset must not be unique or be used in a unique manner.

4.3.4 Used qualifying assets

A used or second-hand asset must be written off over its expected useful life, taking into account its condition. Simply because a second-hand asset is older than the write-off periods in the Annexure does not mean that it can be written off in full in the year of acquisition.

Example 2 – Write-off period of second-hand asset

Facts:

X acquired a four-year old delivery vehicle for use in X's business. The vehicle was in good condition and had done only 20 000 km. X estimated that the vehicle should last another three years.

Result:

According to the **Annexure**, delivery vehicles must be written off over four years. However, the vehicle is already four years old at the date of acquisition and taking its condition into account, its estimated useful life on acquisition is 3 years. The vehicle should therefore be written off over three years.

4.3.5 "Small" items

The cost of "small" items such as loose tools may be written off in full in the year of assessment in which they are acquired and brought into use. A "small" item in this context is one which normally functions in its own right, does not form part of a set and is acquired at a cost of less than R7 000 per item. The amount of R7 000 applies to any qualifying asset acquired on or after 1 March 2009.

A table and six chairs which plainly form part of a set can, for example, not be divided into individual independent items costing less than the specified amount. The cost of such a set amounting to R7 000 or more cannot be written off in full during the year of assessment in which the set was acquired and brought into use.

Also, the "small items" write-off does not apply to assets acquired by lessors for the purpose of letting.[2] Thus lessors that let small items such as DVDs, clothing, machinery, pallets or gas cylinders must depreciate these assets over their useful lives.

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[2] Interpretation Note 47 dated 28 July 2009 did not prevent lessors from claiming the small items write-off of R7 000 for years of assessment commencing on or after 1 January 2009. Interpretation Note 47 (Issue 2) dated 11 November 2009 confirms that the small items write-off no longer applies to lessors and this modification took effect on the date of issue of that Note and applies to any asset acquired on or after that date.

4.3.6 Qualifying assets previously used to produce amounts that were not included in the taxpayer's income

Paragraph (ix) of the proviso to section 11(*e*) applies if –

- a qualifying asset was used by the taxpayer during any previous year of assessment or years of assessment for the purposes of any trade carried on by that taxpayer, and
- the receipts and accruals of that trade were not included in the taxpayer's income during that year or years.

This situation could occur, for example, when –

- an asset was used by a public benefit organisation (PBO) in a previous year of assessment during which its receipts and accruals were fully exempt from income tax, and the PBO became taxable on its trading activities in the current year of assessment because its income from such activities exceeded the threshold in section 10(1)(*c*N);
- an asset was used before the introduction of the residence basis of taxation for purposes of a foreign trade; or
- an asset was used in a "micro business" contemplated in the Sixth Schedule and the taxpayer became subject to normal tax because the turnover of the micro business exceeded the maximum threshold for such a business.

In these circumstances the Commissioner must take into account the period of use of the relevant qualifying asset during that previous year or years in determining the amount by which its value has been diminished.

Example 3 – Asset used to produce exempt income in previous years of assessment

Facts:

A taxpayer acquired a motor vehicle with an expected useful life of five years at a cost of R100 000. During the first three years, the vehicle was used by the taxpayer for trade purposes to generate exempt income. As from the commencement of year 4 the taxpayer's trade generated taxable income.

Result:

The allowance will be allowed only during the remaining two years of assessment (years 4 and 5) in which the asset was used for purposes of generating taxable income. The taxpayer will therefore be entitled to claim an allowance of only R100 000 / 5 = R20 000 a year during years 4 and 5.

4.3.7 Qualifying assets used for both private and business purposes

The allowance must be apportioned if an asset is used for private and business purposes, since the deduction is allowable only to the extent that the asset was used for the purposes of trade.

4.3.8 Qualifying asset not used for the whole year of assessment

The allowance must be apportioned for an asset that has not been used for the purposes of trade throughout the year of assessment. This situation could occur, for example, if the asset is –

- acquired and brought into use during a year of assessment;
- disposed of during the year of assessment; or
- used by a natural person in carrying on a trade in his or her own name and that person became insolvent or died during the year of assessment.

The allowance must be apportioned regardless of whether the straight-line method or diminishing-value method is used.

Sequestration

Before sequestration

Under section 25C the estate of a person before sequestration and that person's insolvent estate are deemed to be one and the same person for purposes of determining the amount of any allowance or deduction to which the insolvent estate may be entitled. The natural person before sequestration will therefore be entitled to only a *pro rata* share of the allowance, that is, the allowance calculated from the commencement of the year of assessment or date of commencement during the year of assessment up to and including the day before the date of sequestration.

On or after sequestration

An insolvent estate that continues to trade in the year of assessment in which sequestration commences will be entitled to a *pro rata* share of the allowance, that is, the allowance calculated from the date of sequestration until the end of the year of assessment or until the date of disposal of the asset if earlier. For further information, see Interpretation Note 8 "Insolvent Estates of Natural Persons".

Death

The comments here apply to persons dying on or after 1 March 2016.

A deceased person who used an asset for the purposes of trade is entitled to a *pro rata* portion of the allowance calculated from the commencement of the year of assessment up to and including the date of death.[3] Depending on the facts, a deceased estate or an heir or legatee that continues to use the asset in an income-producing trade will be able to claim a *pro-rata* portion of the allowance from the date on which the asset was acquired.

The amount of expenditure deemed to be incurred by the deceased estate when it acquires an asset from the deceased person and the amount of expenditure that an heir or legatee is deemed to have incurred upon acquiring an asset from the deceased estate is determined under section 9HA and section 25. Special rules within those sections apply if the disposal is to a surviving spouse.

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[3] Under section 66(13)(*a*) a person who dies is required to submit a return of income for the period commencing on the first day of the relevant year of assessment and ending on the date of death.

4.3.9 Qualifying assets not yet brought into use for purposes of trade

A taxpayer that acquires an asset in one year of assessment and brings it into use for the purposes of trade in a subsequent year of assessment will be entitled to claim the wear-and-tear allowance only from the date on which the asset is brought into use in that subsequent year of assessment.

4.3.10 Personal-use assets commencing to be used for trade purposes

A person who acquires an asset for personal use and later deploys it in a trade will be entitled to an allowance based on the lower of cost and market value determined at the time the asset is first used in the trade. While the section 11(*e*) allowance is generally based on cost, it is unacceptable to use the original cost when the asset has been diminished in value as a result of personal use.[4] The expected useful life of the asset must be determined at the time it is brought into use in the trade having regard to its condition and it must be written off over that period.

If the asset was originally acquired for no consideration (for example, by donation or distribution *in specie*) or for a non-arm's length price from a connected person, it must be depreciated based on the lower of the original market value at the date of acquisition and the market value at the time it is brought into use in the taxpayer's trade.

Example 4 – Personal-use asset used for purposes of trade

Facts:

On 1 March of year 1 X acquired a passenger vehicle for personal use at a cost of R1 million. On 1 March of year 4 X commenced to use the vehicle wholly for the purposes of trade. The market value of the vehicle at that time was R600 000 and it was estimated to have a remaining useful life of three years.

Result:

According to the **Annexure**, passenger cars must be written off over five years. However, the Annexure does not apply in this instance and the vehicle must be written off over its remaining expected useful life of three years based on a reduced amount of R600 000.

[4] Section 23(*g*).

Annexure – Schedule of write-off periods acceptable to SARS

Asset	**Proposed write-off period (in years)**
Adding machines	6
Air conditioners:	
Window type	6
Mobile	5
Room unit	10
Air conditioning assets (excluding pipes, ducting and vents):	
Air handling units	20
Cooling towers	15
Condensing sets	15
Chillers:	
Absorption type	25
Centrifugal	20
Aircraft: Light passenger or commercial helicopters	4
Arc welding equipment	6
Artefacts	25
Balers	6
Battery chargers	5
Bicycles	4
Boilers	4
Bulldozers	3
Bumping flaking	4
Carports	5
Cash registers	5
Cell phone antennae	6
Cell phone masts	10

Asset	**Proposed write-off period (in years)**
Cellular telephones	2
Cheque writing machines	6
Cinema equipment	5
Cold drink dispensers	6
Communication systems	5
Compressors	4
Computers	
Main frame / servers	5
Personal	3
Computer tablet and similar devices	2
Computer software (main frames)	
Purchased	3
Self-developed	5
Computer software (personal computers)	2
Concrete mixers (portable)	4
Concrete transit mixers	3
Containers (large metal type used for transporting freight)	10
Crop sprayers	6
Curtains	5
Debarking equipment	4
Delivery vehicles	4
Demountable partitions	6
Dental and doctors equipment	5
Dictaphones	3
Drilling equipment (water)	5

Asset	**Proposed write-off period (in years)**
Drills	6
Electric saws	6
Electrostatic copiers	6
Engraving equipment	5
Escalators	20
Excavators	4
Fax machines	3
Fertiliser spreaders	6
Firearms	6
Fire extinguishers (loose units)	5
Fire detection systems	3
Fishing vessels	12
Fitted carpets	6
Food bins	4
Food-conveying systems	4
Fork-lift trucks	4
Front-end loaders	4
Furniture and fittings	6
Gantry cranes	6
Garden irrigation equipment (movable)	5
Gas cutting equipment	6
Gas heaters and cookers	6
Gearboxes	4
Gear shapers	6
Generators (portable)	5
Generators (standby)	15

Asset	**Proposed write-off period (in years)**
Graders	4
Grinding machines	6
Guillotines	6
Gymnasium equipment:	
Cardiovascular equipment	2
Health testing equipment	5
Weights and strength equipment	4
Spinning equipment	1
Other	10
Hairdressers' equipment	5
Harvesters	6
Heat dryers	6
Heating equipment	6
Hot water systems	5
Incubators	6
Ironing and pressing equipment	6
Kitchen equipment	6
Knitting machines	6
Laboratory research equipment	5
Lathes	6
Laundromat equipment	5
Law reports: Sets (Legal practitioners)	5
Lift installations (goods/passengers)	12
Magnetic Resonance Imaging Scanners	5
Medical theatre equipment	6
Milling machines	6

Asset	Proposed write-off period (in years)
Mobile caravans	5
Mobile cranes	4
Mobile refrigeration units	4
Motors	4
Motorcycles	4
Motorised chainsaws	4
Motorised concrete mixers	3
Motor mowers	5
Musical instruments	5
Navigation systems	10
Neon signs and advertising boards	10
Office equipment – electronic	3
Office equipment – mechanical	5
Oxygen concentrators	3
Ovens and heating devices	6
Ovens for heating food	6
Packaging and related equipment	4
Paintings (valuable)	25
Pallets	4
Passenger cars	5
Patterns, tooling and dies	3
Pellet mills	4
Perforating equipment	6
Photocopying equipment	5
Photographic equipment	6
Planers	6

Asset	**Proposed write-off period (in years)**
Pleasure craft etc.	12
Ploughs	6
Portable safes	25
Power tools (hand-operated)	5
Power supply	5
Public address systems	5
Pumps	4
Race horses	4
Radar systems	5
Radio communication equipment	5
Refrigerated milk-tankers	4
Refrigeration equipment	6
Refrigerators	6
Runway lights	5
Sanders	6
Scales	5
Security systems (removable)	5
Seed separators	6
Sewing machines	6
Shakers	4
Shop fittings	6
Solar energy units	5
Special patterns and tooling	2
Spin dryers	6
Spot welding equipment	6
Staff training equipment	5

Asset	**Proposed write-off period (in years)**
Surge bins	4
Surveyors:	
Instruments	10
Field equipment	5
Tape-recorders	5
Telephone equipment	5
Television and advertising films	4
Television sets, video machines and decoders	6
Textbooks	3
Tractors	4
Trailers	5
Traxcavators	4
Trolleys	3
Trucks (heavy duty)	3
Trucks (other)	4
Truck-mounted cranes	4
Typewriters	6
Vending machines (including video game machines)	6
Video cassettes	2
Warehouse racking	10
Washing machines	5
Water distillation and purification plant	12
Water tankers	4
Water tanks	6
Weighbridges (movable parts)	10

Asset	Proposed write-off period (in years)
Wire line rods	1
Workshop equipment	5
X-ray equipment	5