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**Guidance Note
regarding capital allowances
in respect of Car Parks**

The definition of “industrial building or structure” in article 2 of the [Income Tax Act](#) includes a car park that satisfies all the following conditions:

- it is first used as a car park after the 1st of January 2012,
- it is of a commercial nature,
- it is available to the general public,
- it is the main income generating activity of any person claiming any deductions in its respect under article 14(1)(f) or (j).

When the operation of the car park involves substantial activity, having regard to the capital employed, the organization of the operation and the income it generates, the Commissioner will consider the last condition as satisfied regardless of the amount of income that the taxpayer may derive from other sources.

Once a car park falls within the meaning of industrial building or structure, it will qualify for capital allowances under article 14 of the Income Tax Act. It is to be kept in mind that, in line with the rules applicable to all claims for capital allowances in respect of any industrial building or structure:-

- the deduction for capital allowances is only allowable against income generated by the operation of the car park,
- the cost on which the capital allowances are calculated is the cost of the car park but excluding the cost of the land on which the car park is situated.



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