



## TAX RATES AND ALLOWANCES

### Capital Allowances

Plant and Machinery*	100% Annual Investment Allowance up to £100,000 (2009: £50,000)	
Energy Efficient plant & low emission cars		100%
General pool writing down allowance		20%
Industrial and Agricultural Buildings and Hotels	1% (straight line) (2009-10 was 2% as being phased out)	
Special Rate Pool		10%

**\*For small businesses:** Formerly first year allowances (FYAs) of 50% from 6.4.06 to 31.03.08 or 40% for medium-sized businesses.

### Capital Gains Tax

		2010/11	2009/10
<b>Individuals</b>	- exemption	£10,100	£10,100
<b>Trusts</b>	- exemption	£5,050	£5,050

Net gains after allowances, losses etc taxed at 18% for disposals prior to 23.6.10. After this, gains are added to income and taxed at 18% (basic rate tax band) and 28% (higher rate tax band).\*

**\*Entrepreneurs relief.** Asset must be own business, or shares in employee's trading company of at least 5% and up to £2million lifetime allowance to 22.6.10 and £5million after this date. (£1m 2009/10).

Pre 5<sup>th</sup> April 2008, Percentage relief depended on number of complete years asset owned after 5.4.98.

Years of ownership	1	2	3	4	5	6	7	8	9	10
Business assets (% relief)	50	75	75	75	75	75	75	75	75	75
Non-business assets* (% relief)	0	0	5	10	15	20	25	30	35	40

\*Add one extra year if asset owned before 17.3.98.

# Car and Fuel Benefits, Mileage Allowances

## Van benefit per vehicle 2010/11

All Vans based on a £3,000 value. An additional amount of £500 is charged if fuel is provided free for private use.

The charge only applies if there is more than insignificant private use of a van. To and from work is permissible.

## Mileage Allowance Payments

Cars and vans	2010/11 and 2009/10 Rate per mile
Up to 10,000 miles	40p
Over 10,000 miles	25p
<b>Bicycles</b>	20p
<b>Motorcycles</b>	24p

These rates represent the maximum tax-free mileage allowances for employees using their own vehicles for business. Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

## Company car Taxation

- For diesel cars add a 3% supplement, but maximum still 35%.
- Discounts apply to some environmentally friendly cars.
- For cars registered before 1.1.98 charge is based on engine size.
- The list price includes accessories and is subject to an upper limit of £80,000 (April 2011 on – abolished).
- List price is reduced for capital contributions made by the employee up to £5,000.

## Company car taxation 2010/11

CO <sub>2</sub> emissions (gm/km) (round down to nearest 5gm/km) up to	% of car's list price taxed
0-75	5
76-120	10
121-130	15
Over 130	+ 1% for every 5g/km
Maximum	35

## Fuel benefits

- Benefit of free fuel is calculated using the same percentage as car benefit, applied to a standard figure of £18,000 (2009-10 £16,900). The taxable amount is therefore between £900 and £6,300
- The fuel benefit charge is proportionately reduced if provision of private fuel ceases part way through the year.
- The fuel benefit is reduced to nil only if the employee pays for all private fuel.

# Corporation Tax

The profits limits are reduced for accounting periods of less than 12 months and for a company with associated companies.

## Year to 31.3.10 & 11

	Profits Band £	Rate %
Small companies rate	0 - 300,000	21
Marginal (small companies) rate	300,001 - 1,500,000	29.75
Full rate	Over 1,500,000	28
Small companies fraction		7/400

# Inheritance Tax Rates

Chargeable Transfers				Reduced charge on gifts within seven years of death					
Death Rate %	Lifetime Rate %	2009-2015 £'000	2008/09 £'000	Years before death	0-3	3-4	4-5	5-6	6-7
Nil	Nil	0 - 325	0 - 312						
40	20	Over 325	Over 312	% of death charge	100	80	60	40	20

### Reliefs

Annual exemption	£3,000	Marriage gifts - parent	£5,000
Small gifts	£250	- grandparent	£2,500
		- bride/groom	£2,500
		- other	£1,000

From 9 October 2007, spouses and civil partners can transfer their Nil Rate Band allowances so that any part of the Nil Rate Band that was not used when the first spouse or civil partner died is transferred to the individual's surviving spouse or civil partner for use on their death.

IHT Nil band has been frozen until 2014-15.

# Income Tax & NI

2010/11		2009/10	
Band £	Rate %	Band £	Rate %
0 - 2,440	10*	0 - 2,440	10*
2,441-37,400	20 *	2,441 – 37,400	20 *
37,401 – 150,000	40 **	Over 37,400	40 **
Over 150,000	50 **		

•Except dividends (10%).

•\*\* Except dividends (32.5% & 42.5% over 150k).

•Other income taxed first, then savings income and finally dividends.

•Starting rate band only applicable to savings income if no other income

<u>Income Tax Reliefs</u>		2008/09 £	2009/10 & 2010/11 £
Personal allowance	- under 65	6,035	6,475
	- 65 - 74 *	9,030	9,490
	- 75 and over *	9,180	9,640
Married couple's allowance (relief at 10%)	- 75 and over*	6,625	6,965
	- min. amount	2,540	2,670
* Age allowance income limit (reduce age allowance by £1 for every £2 of excess income over the limit)		21,800	22,900
Blind person's allowance		1,800	1,890

## National Insurance

### **Class 1 (employed) Contracted in**

#### 2009/10 & 2010/11 Rates

Weekly earnings	Employer	Employee
Up to £110	Nil*	Nil*
£110 - £844	12.8%	11%
Over £844	12.8%	1%

\* Entitlement to contribution-based benefits retained for earnings between £95.00 and £110 per week.

<b>Class 1A (employers)</b>	12.8% on employee taxable benefits
<b>Class 1B (employers)</b>	12.8% on PAYE Settlement Agreements
<b>Class 2 (self-employed)</b>	flat rate per week £2.40 small earnings exception p.a. £5,075
<b>Class 3 (voluntary)</b>	flat rate per week £12.05
<b>Class 4 (self-employed)</b>	8% on profits between £5,715 & £43,875 + 1% on profits > £43,875

# Important Dates

## Self Assessment Key Dates 2010/11

**31 July 2010** - Second payment on account for 2009/10.

**30 September 2010** - Deadline for submission of paper tax returns for Inland Revenue calculation; and where the taxpayer wants a balancing payment (below £2,000) collected through their 2010/11 PAYE code.

**5 October 2010** - Deadline for notifying Inland Revenue of new sources of income if no tax return has been issued for 2008/09.

**30 December 2010 (29 December if ELS)** - Deadline for submission of tax returns over the internet; and where the taxpayer wants a balancing payment (below £2,500) collected through their 2011/12 PAYE code.

**31 January 2011** - Deadline for filing tax returns for 2009/10. Balancing payment due for 2009/10. First payment due for 2010/11.

## Stamp Duty

Land and buildings (On full consideration paid) From 17 March 2006 (unchanged)			
Rate	Residential property		Non-residential
	Disadvantaged areas £	Other £	£
Nil	0 - 150,000	0 - 125,000	0 - 150,000
1%	150,001 - 250,000	125,001 - 250,000	150,001 - 250,000
3%	250,001 - 500,000	250,001 - 500,000	250,001 - 500,000
4%	Over 500,000	Over 500,000	Over 500,000

Shares and securities - rate remains unchanged at 0.5% (£Nil if value up to £1,000)

## VAT

**Standard Rate:**

**Registration** level from 01.04.10:

**Deregistration** level from 01.04.10:

**17.5%** from 1<sup>st</sup> Jan 2010, **20%** from 4<sup>th</sup> Jan 2011.

£70,000 per annum

£68,000 per annum

**Scale charges  
(from 1.5.07)**

Now based on emissions  
Per 3 month period.

120 and below	£120 net	£21.00 VAT
121-134	£180.43 net	£31.57 VAT
Rising per 5g/km	£12.06 net	£2.11 VAT
230 or above	£422.13 net	£73.87 VAT

# Tax Credits

	2010/11 £	2009/10 £
<b>Working Tax Credit (WTC)</b>		
Basic element - max.	1,920	1,890
Disabled worker element	2,570	2,530
Severe disability element	1,095	1,075
30 hour element	790	775
50+ return to work (16-29 hours)	1,320	1,300
50+ return to work (30+ hours)	1,965	1,935
Couple and Lone parent element	1,890	1,860
Childcare element 80% (2009:80%) of eligible costs to a max. of £175 per week (£300 if two or more children).		
<b>Child Tax Credit (CTC)</b>		
Child element per child - max.	2,300	2,235
Family element	545	545
Baby addition	545	545
Disabled Child	2,715	2,670
Severely Disabled Child Element	1,095	1,075

**Reductions in maximum rates** 39% of income above £6,420\* p.a.

\*If only CTC is claimed, the threshold is £16,190 p.a. (2010:£16,040). The family element of CTC is not reduced unless income is more than £50,000 p.a. when it is reduced by £1 for every £15 of additional income.

## Child Benefit/Guardian Allowance - £ per week

Rates	2010-11	2009-10
Eldest/Only Child	£20.30	£20.00
Other Children	£13.40	£13.20
Guardian's Allowance	£14.20	£14.10

*These rates & allowances are provided for your information only and Halsey & Co. recommend you seek professional advice before relying on any of the figures shown. We cannot be liable for any loss resulting from action or inaction taken based on the information provided.*

**Offices at:** 2 Villiers Court  
40 Upper Mulgrave Road,  
Cheam Village,  
Surrey. SM2 7AJ

**Or contact us via:** (T)  
(F)

0208 770 3688  
0208 770 3675  
info@halseyandco.co.uk  
www.halseyandco.co.uk