



TAX RATES AND ALLOWANCES

Capital Allowances

Plant and Machinery*	100% Annual Investment Allowance up to £100,000 (2010: £100,000)
Energy Efficient plant & low emission cars	100%
General pool writing down allowance	20%
Special Rate Pool (includes integral features and cars with emissions over 160g/km)	10%

*For small businesses: Will fall to £25,000 1/4/12.

Capital Gains Tax

		2010/11	2011/12
Individuals	- exemption	£10,100	£10,600
Trusts	- exemption	£5,050	£5,300

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 then £10m from 6th April 2011. (£1m 2009/10).

Pre 5th 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 2011/12

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.

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.

Mileage Allowance Payments

Cars and vans	2011/12 Rate per mile
Up to 10,000 miles	45p (2010/11 40p)
Over 10,000 miles	25p
Bicycles	20p
Motorcycles	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 2011/12

CO ₂ 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 £18,800 (2010-11 £18,000).
- 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 31.3.12

	Profits Band £	Rate %
Small companies rate	0 - 300,000	20
Marginal (small companies) rate	300,001 - 1,500,000	27.5
Full rate	Over 1,500,000	26
Small companies fraction		3/200

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		2011/12	
Band £	Rate %	Band £	Rate %
0 - 2,440	10*	0 - 2,560	10*
2,441-37,400	20 *	2,560 – 35,000	20 *
37,401 – 150,000	40 **	35,000 – 150,000	40 **
Over 150,000	50 **	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>	2011/12 £	2009/10 & 2010/11 £
Personal allowance	7,475	6,475
- under 65		
- 65 - 74 *	9,940	9,490
- 75 and over *	10,090	9,640
Married couple's allowance (relief at 10%)	7,295	6,965
- 75 and over*	2,800	2,670
- min. amount		
	24,000	22,900
(reduce age allowance by £1 for every £2 of excess income over the limit)		
* Age allowance income limit		
Blind person's allowance	1,980	1,890

National Insurance

	Employee £	Employer £
Earnings up to £139.01 (ee) & up to £136.01 (er) exempted	-	-
Up to £817pw (ee) £770pw (er)	12%	13.8%
Over £817pw (ee) £770pw (er)	2%	13.8%

Class 1A (employers) 13.8% on employee taxable benefits

Class 1B (employers) 13.8% on PAYE Settlement Agreements

Class 2 (self-employed) flat rate per week £2.50
small earnings exception p.a. £5,315

Class 3 (voluntary) flat rate per week £12.60

Class 4 (self-employed) 8% on profits between £7,225 & £42,475 + 2% on profits > £42,475

Important Dates

Self Assessment Key Dates 2010/11

31 July 2011 - Second payment on account for 2010/11.

30 September 2011 - 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 2011/12 PAYE code.

5 October 2011 - Deadline for notifying Inland Revenue of new sources of income if no tax return has been issued for 2010/11.

30 December 2011 (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 2012/13 PAYE code.

31 January 2012 - Deadline for filing tax returns for 2010/11. Balancing payment due for 2010/11. First payment due for 2011/12.

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)
Over £1m residential now subject to 5% since 6.4.11

VAT

Standard Rate:

17.5% from 1st Jan 2010, **20%** from 4th Jan 2011.

Registration level from 01.04.11:

£73,000 per annum

Deregistration level from 01.04.11:

£71,000 per annum

**Scale charges
(from 1.5.07)**

Now based on emissions
Per 3 month period.

120 and below	£130.83 net	£26.17 VAT
130	£210 net	£42.00 VAT
Rising per 5g/km	£13.10 net	£2.62 VAT
225 or above	£459.17 net	£91.83 VAT

Tax Credits

The Child Tax Credit elements

The table below shows the maximum Child Tax Credit payments you could get for bringing up children. The payments apply whether or not you work.

The Child Tax Credit elements	What it means	Current maximum yearly amount
Family element -the basic element	Basic payment if you are responsible for children.	£545
Child element	Paid for each of your children on top of the basic family element.	£2,555
Disabled child element	For each disabled child you have.	£2,800
Severely disabled child element	For each severely disabled child you have. Paid on top of any disability element.	£1,130

The 'baby addition', which was paid to families with children under the age of one, stopped from 6 April 2011.

The Working Tax Credit elements

The table below shows the maximum different Working Tax Credit payments you could get if you work.

The elements	Who it applies to	
Basic element	The basic amount if you qualify for Working Tax Credit.	£1,920
Couples	Paid if you make a joint claim and is on top of the basic element.	£1,950
Lone parent element	Paid if you're a single parent bringing up children on your own. It is paid on top of the basic element.	£1,950
30 hour element	If you work at least 30 hours a week. It also applies if you're in a couple, with at least one child, and you work at least 30 hours a week between you. But one of you needs to work at least 16 hours or more a week.	£790
Disability element	An extra payment if you work and have a disability.	£2,650
Severe disability element	An extra payment if you work and have a severe disability. If you're in a couple, the person with the severe disability doesn't have to be working - as long as one of you is.	£1,130
50+ Return to work payment (16-29 hours)	An extra payment if you're 50 and over and both of the following apply: •you're returning to work after a period on benefits •you work at least 16, but less than 30, hours a week	£1,365
50+ Return to work payment (30+ hours)	An extra payment if you're 50 and over and both of the following apply: •you're returning to work after a period on benefits •you work at least 30 hours a week	£2,030
Childcare element	An extra payment if you pay registered or approved childcare.	Up to 70% of your costs, subject to a maximum limit : £175 per week for one child £300 per week if you're paying for two or more children

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