



Capital Allowances

Plant and Machinery*	100% Annual Investment Allowance up to £50,000
Motor Cars**	20% (reducing balance) - £3,000 max Or 10% (reducing balance) if emissions over 160 g/km 100% FYA if emissions under 110 g/km
Other Assets	Writing down allowance (general) 20% (formerly 25%)
Industrial and Agricultural Buildings and Hotels	2% (straight line) (2008-09 was 3% as being phased out)
Long life assets and integral building features over £50,000	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.

For all businesses: 100% FYAs on expenditure on energy saving plant and machinery & **low emission cars.

Capital Gains Tax

		2008/09	2009/10
Individuals	- exemption	£9,600	£10,100
Balance of gains charged as top slice of income (at savings rates - ie 10%, 20% or 40%)			
Trusts	- exemption	£4,800	£5,050
	- balance of gains	18%	40%

Taper relief now abolished for 2008/09 disposals and on – replaced by flat rate 18% or 10% if qualifying for Entrepreneurs relief. To do so, asset must be own business, or shares in employee's trading company of at least 5% and up to £1million lifetime allowance.

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

Fuel benefits

•Benefit of free fuel is calculated using the same percentage as car benefit, applied to a standard figure of £16,900 (2008-09 £16,900). The taxable amount is therefore between £1,690 and £5,915

•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.

Van benefit per vehicle 2008/09

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

	2008/09 and 2009/10 Rate per mile
Cars and vans	
Up to 10,000 miles	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

•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.

•List price is reduced for capital contributions made by the employee up to £5,000.

Company car taxation 2009/10

CO ₂ emissions (gm/km) (round down to nearest 5gm/km) up to	% of car's list price taxed	Fuel benefit (£16,900 x %)
120	10	1,690
135	15	2,535
140	16	2,704
145	17	2,873
150	18	3,042
155	19	3,211
160	20	3,380
165	21	3,549
170	22	3,718
175	23	3,887
180	24	4,056
185	25	4,225
190	26	4,394
195	27	4,563
200	28	4,732
205	29	4,901
210	30	5,070
215	31	5,239
220	32	5,408
225	33	5,577
230	34	5,746
235	35	5,915

Corporation Tax

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

	Year to 31.3.09 & 10		Year to 31.3.08	
	Profits Band £	Rate %	Profits Band £	Rate %
Small companies rate	0 - 300,000	21	0 - 300,000	20
Marginal (small companies) rate	300,001 - 1,500,000	29.75	300,001 - 1,500,000	32.50
Full rate	Over 1,500,000	28	Over 1,500,000	30
Small companies fraction		7/400		1/40

Inheritance Tax Rates

Chargeable Transfers				Reduced charge on gifts within seven years of death					
Death Rate %	Lifetime Rate %	2008/09 £'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

The Government have announced that the IHT nil rate band will be extended as follows for following years: •2010/11 - £350,000

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.

Income Tax & NI

2008/09		2009/10	
Band £	Rate %	Band £	Rate %
0 - 2,320	10*	0 - 2,440	10*
0 - 36,000	20 *	2,441 – 37,400	20 *
Over 36,000	40 **	Over 37,400	40 **

- Except dividends (10%).
- ** Except dividends (32.5%).
- Other income taxed first, then savings income and finally dividends.
- Starting rate band only applicable to savings income if no other income

Income Tax Reliefs

		2008/09 £	2009/10 £
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 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.

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

Important Dates

Self Assessment Key Dates 2009/10

31 July 2009 - Second payment on account for 2007/08.

30 September 2009 - 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 2009 - Deadline for notifying Inland Revenue of new sources of income if no tax return has been issued for 2008/09.

30 December 2009 (29 December if ELS) - Deadline for submission of tax returns over the internet; and where the taxpayer wants a balancing payment (below £2,000) collected through their 2010/11 PAYE code.

31 January 2010 - Deadline for filing tax returns for 2008/09. Balancing payment due for 2008/09. First payment due for 2009/10.

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)

****STOP PRESS – SDLT HOLIDAY CONTINUED UNTIL 31.12.09 TO £175,000****

VAT

Standard Rate:

15% reverting back to 17.5% 1st Jan 2010.

Registration level from 01.04.09:

£68,000 per annum

Deregistration level from 01.04.09:

£66,000 per annum

**Scale charges
(from 1.5.07)**

Now based on emissions
Per 3 month period.

120 and below	£126 net	£18.90 VAT
121-135	£189 net	£28.35 VAT
Rising per 5g/km	£12.60 net	£1.89 VAT
235 or above	£441 net	£66.15 VAT

Tax Credits

	2008/09 £	2009/10 £
Working Tax Credit (WTC)		
Basic element - max.	1,800	1,890
Disabled worker element	2,405	2,530
Severe disability element	1,020	1,075
30 hour element	735	775
50+ return to work (16-29 hours)	1,235	1,300
50+ return to work (30+ hours)	1,840	1,935
Couple and Lone parent element	1,770	1,860
Childcare element 80% (2009:80%) of eligible costs to a max. of £175 per week (£300 if two or more children).		

Child Tax Credit (CTC)

Child element per child - max.	2,085	2,235
Family element	545	545
Baby addition	545	545
Disabled Child	2,540	2,670
Severely Disabled Child Element	1,020	1,075

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

*If only CTC is claimed, the threshold is £16,040 p.a. (2009:£15,575). 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	2008-09	2009-10
Eldest/Only Child	£18.80	£20.00
Other Children	£12.55	£13.20
Guardian's Allowance	£13.45	£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.

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