INCOME TAX

Rates		09-10 £	08-09 £
10% starting rate band on savings income up to*		2,440	2,320
Basic rate		20%	20%
Higher rate of 40% on income over		37,400	34,800
Dividends for:	basic rate taxpayers	10%	10%
	higher rate taxpayers	32.5%	32.5%
Trusts:	standard rate band generally	1,000	1,000
	dividends (rate applicable to trusts)	32.5%	32.5%
	other income (rate applicable to trusts)	40%	40%
Pre-owned assets tax minimum taxable as income		5,000	5,000

** Not available if taxable non-savings income exceeds starting rate band*

Main Personal Allowances and Reliefs		
Personal (basic)	6,475	6,035
Personal (65–74)	9,490	9,030
Personal (75 & over)	9,640	9,180
Married couples/civil partners (minimum) at 10%†	2,670	2,540
Married couples/civil partners (under 75) at 10%†	N/A	6,535
Married couples/civil partners (75+) at 10%	6,965	6,625
Age-related reliefs reduced by 50% of income over	22,900	21,800
Blind persons	1,890	1,800
Rent-a-room tax-free income	4,250	4,250
Venture capital trust (VCT) at 30%	200,000	200,000
Enterprise investment scheme (EIS) at 20%	500,000	500,000
EIS eligible for capital gains tax re-investment relief	No limit	

† Where at least one spouse/civil partner was born before 6 April 1935

Non-domicile Remittance Basis Charge: for adult non-UK domiciliary after UK residence in at least 7 of the previous 9 tax years	£30,000	£30,000

REGISTERED PENSIONS

	09-10	08-09
Lifetime allowance*	£1,750,000	£1,650,000
Annual allowance	£245,000	£235,000
Special annual allowance	£20,000	N/A
Maximum pension commencement lump sum*	25% of pension benefit value	
Maximum relievable personal contribution	100% relevant UK earnings or £3,600 if greater	
Lifetime allowance charge if excess drawn as cash		55%
if excess drawn as income		25%
Annual allowance charge on excess		40%

** Subject to transitional protection for excess amount*

EMPLOYEE SHARE SCHEMES LIMITS 08-10

Share incentive plans	Employer contributions	£3,000
	Employer matching (2:1)	£3,000
	Employee	£1,500
Enterprise management incentive option value		£120,000
Approved share option schemes option value		£30,000
Savings-related share options per month		£250

CAR BENEFIT FOR EMPLOYEES

Taxable amount based on car's list price when new up to £80,000

Charge varies according to CO_2 emissions in grams per kilometre

CO_2 g/km	% of price 08-10	CO_2 g/km	% of price 08-10	CO_2 g/km	% of price 08-10
120 or less	10	170-4	22	210-4	30
121-139	15	175-9	23	215-9	31
140-4	16	180-4	24	220-4	32
145-9	17	185-9	25	225-9	33
150-4	18	190-4	26	230-4	34
155-9	19	195-9	27	235 & over	35
160-4	20	200-4	28		
165-9	21	205-9	29		

Further reductions may apply for LPG, bi-fuel, E85 hybrid and electric cars
Diesels not meeting Euro IV or registered after 31 December 2005:
add 3% subject to maximum charge of 35%

Vans – for private use	**09-10**	**08-09**
Chargeable amount	£3,000	£3,000

No charge if private use is limited to journeys between home and work

FUEL BENEFIT

	09-10	**08-09**
Multiply the CO_2 % used for the car benefit by	£16,900	£16,900
Vans – flat charge	£500	£500

COMPANY CARS – ADVISORY FUEL RATES from 1/1/09

Engine size	**Petrol**	**Diesel**	**LPG**
1,400cc or less	10p	11p	7p
1,401cc to 2,000cc	12p	11p	9p
Over 2,000cc	17p	14p	12p

TAX-FREE MILEAGE ALLOWANCE – OWN VEHICLE 08-10

Cars Up to 10,000 business miles: 40p
Over 10,000 business miles: 25p

Motorcycles 24p per business mile
Bicycles 20p per business mile

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee Not Contracted-Out of State Second Pension (S2P)

	09-10		08-09	
	Employee	**Employer**	**Employee**	**Employer**
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£110 pw	£110 pw	£105 pw	£105 pw
NICs charged up to	£844 pw	No limit	£770 pw	No limit
1% NIC on earnings over	£844 pw	N/A	£770 pw	N/A
Certain married women	4.85%	12.8%	4.85%	12.8%
Contracted-Out Rebate				
Rebate on	£95.01–£770 pw		£90.01–£770 pw	
Salary-related scheme	1.6%	3.7%	1.6%	3.7%
Money-purchase scheme	1.6%	1.4%	1.6%	1.4%
Personal Pension	No reduction		No reduction	

Class 1A Employer 08-10 on car fuel benefits & most other taxable benefits: 12.8%

Limits and Thresholds	09-10			08-09		
	Weekly	**Monthly**	**Annual**	**Weekly**	**Monthly**	**Annual**
Lower earnings limit	£95	£412	£4,940	£90	£390	£4,680
Earnings threshold	£110	£476	£5,715	£105	£453	£5,435
Upper accrual point	£770	£3,337	£40,040	N/A	N/A	N/A
Upper earnings limit	£844	£3,656	£43,875	£770	£3,337	£40,040

Self-Employed	09-10		08-09	
Class 2 Flat rate	£2.40 pw	£124.80 pa	£2.30 pw	£119.60 pa
Small earnings exception	£5,075 pa		£4,825 pa	
Class 4*				
On profits:	£5,715–£43,875 pa: 8%		£5,435–£40,040 pa: 8%	
	Over £43,875 pa: 1%		Over £40,040 pa: 1%	
Voluntary				
Class 3 Flat rate	£12.05 pw	£626.60 pa	£8.10 pw	£421.20 pa

** Unless over state pension age on 6 April*

BASIC STATE PENSION

	09-10		08-09	
	Weekly	**Annual**	**Weekly**	**Annual**
Single person	£95.25	£4,953.00	£90.70	£4,716.40
Dependant's addition	£57.05	£2,966.60	£54.35	£2,826.20
Total married pension	£152.30	£7,919.60	£145.05	£7,542.60

Pension Credit – Standard Income Guarantee (09-10)

Single: £130.00 pw Married: £198.45 pw

CHILD TRUST FUND

Children born after 31 August 2002

Endowment: Initial and at age 7	£250	Low income families	£500
Annual contributions from family and friends up to			£1,200

INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

Maximum Investment Component	09-10	08-09
Cash	£3,600 (£5,100*)	£3,600
Stocks & Shares (balance to)	£7,200 (£10,200*)	£7,200

** From 6 October 2009, higher limits apply only if born before 6 April 1960*

INHERITANCE TAX

	09-10	08-09
Nil-rate band*	£325,000	£312,000
Rate of tax on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£55,000	£55,000

100% relief: businesses, unlisted/AIM companies, certain farmland/buildings

50% relief: certain other business assets

Reduced tax charge on gifts within 7 years of death

Years before death	0–3	3–4	4–5	5–6	6–7
% of death tax charge	100	80	60	40	20

Annual exempt gifts £3,000 per donor £250 per donee

** Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the surviving spouse's/civil partner's death after 8 Oct 2007*

CAPITAL GAINS TAX

Exemptions		09-10	08-09
Individuals, estates, etc		£10,100	£9,600
Trusts generally		£5,050	£4,800
Chattels proceeds (5/3 excess gain is taxable)		£6,000	£6,000
Rates	Individuals	18%	18%
	Trusts and estates	18%	18%

Entrepreneurs' Relief 08-10

4/9ths of gain (effective tax rate of 10%). Lifetime limit: £1,000,000

For trading businesses & companies (min. 5% employee shareholding) held for 1 yr+

STAMP DUTY LAND TAX based on consideration

Residential	Commercial	Rate
£175,000* or less	£150,000 or less	Nil
Over £175,000* up to £250,000	Over £150,000 up to £250,000	1%
Over £250,000 up to £500,000	Over £250,000 up to £500,000	3%
Over £500,000	Over £500,000	4%

** From 1/1/10: £125,000 (or £150,000 for property in disadvantaged areas)*

Stamp Duty (including SDRT): stocks and marketable securities 0.5%

No charge unless the duty exceeds £5

CORPORATION TAX

Profits £	Effective rate to 31/3/10	Effective rate to 31/3/09
0–300,000	21%	21%
300,001–1,500,000	29.75%	29.75%
1,500,001 and over	28%	28%

MAIN CAPITAL AND OTHER ALLOWANCES

	09-10
Plant & machinery 100% annual investment allowance (first year)	£50,000
Plant & machinery expenditure in excess of £50,000 (first year)	40%
Plant & machinery, patent rights, know-how (reducing balance) pa	20%
Certain long-life assets, integral features of buildings (reducing balance) pa	10%
Industrial & agricultural buildings (straight line)	2%
Energy & water-efficient investments	100%
Qualifying flat conversions & business premises renovations	100%

Motor cars: Expenditure on or after 1/4/09 (Corporation Tax) or 6/4/09 (Income Tax)

CO_2 emissions of g/km:	110 or less	111–160	161 or more
Capital allowance:	100% first year	20% reducing balance	10% reducing balance

Research & Development: Capital expenditure 100%

Revenue expenditure: small/medium companies 175% large companies 130%

VALUE ADDED TAX

Registration level from 1/5/09 £68,000 Standard rate from 1/12/08–31/12/09:15%

Standard rate from 1/1/10: 17.5% Reduced rate, eg on domestic fuel: 5%

Flat rate scheme turnover limit	£150,000
Cash and annual accounting turnover limit	£1,350,000

MAIN DUE DATES FOR TAX PAYMENT

Income Tax and Capital Gains Tax – Self-assessment

31 January in tax year
Following 31 July } • Normally 50% of previous year's income tax, less tax deducted at source

Following 31 January • Balance of income tax and all CGT

Inheritance Tax On death: normally 6 months after month of death

Lifetime transfer 6 April–30 September: 30 April in following year

Lifetime transfer 1 October–5 April: 6 months after month of transfer

Corporation Tax

Self-Assessment : 9 months after end of accounting period

- Payable by instalments where profits are £1.5m or over. Normally payable in 7th, 10th, 13th and 16th months after start of accounting period.
- Growing companies: no instalments where profits are £10m or less and the company was not a large company for the previous year

© Copyright 22 April 2009 Subject to the Finance Act 2009

For information only. Always seek professional advice before acting