bgm

bright grahame murray

CHARTERED ACCOUNTANTS

2010/11 Tax Tables

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Summer 2010

INCOME TAX

		10-11	09-10
Starting rate band of 10% on savings income up to*		£2,440	£2,440
Basic rate of 20% on income up to		£37,400	£37,400
Higher rate of 40% on income		£37,401–£150,000	£37,401 and over
Additional rate of 50% on income over		£150,000	N/A
Dividends for:	Basic rate taxpayers	10%	10%
	Higher rate taxpayers	32.5%	32.5%
	Additional rate taxpayers	42.5%	N/A
Trusts:	Standard rate band generally	£1,000	£1,000
	Rate applicable to trusts: dividends	42.5%	32.5%
	other income	50%	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	£6,475
Personal allowance reduced by 50% of income over	£100,000	N/A
Personal (65–74)	£9,490	£9,490
Personal (75 & over)	£9,640	£9,640
Married couples/civil partners (minimum) at 10%†	£2,670	£2,670
Married couples/civil partners (75 and over) at 10%	£6,965	£6,965
Age-related reliefs reduced by 50% of income over	£22,900	£22,900
Blind person's allowance	£1,890	£1,890
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	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

INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

	Maximum Investment	
Components	**10-11**	**09-10**
Cash	£5,100	£3,600 (£5,100*)
Stocks & Shares (balance to)	£10,200	£7,200 (£10,200*)

** Born before 6 April 1960*

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 10-11	% of price 09-10	CO_2 g/km	% of price 10-11	% of price 09-10	CO_2 g/km	% of price 10-11	% of price 09-10
75 or less	5	10	160-4	21	20	200-4	29	28
76-120	10	10	165-9	22	21	205-9	30	29
121-134	15	15	170-4	23	22	210-4	31	30
135-9	16	15	175-9	24	23	215-9	32	31
140-4	17	16	180-4	25	24	220-4	33	32
145-9	18	17	185-9	26	25	225-9	34	33
150-4	19	18	190-4	27	26	230-4	35	34
155-9	20	19	195-9	28	27	235+	35	35

Further reduction may apply for LPG, bi-fuel, E85 and hybrid cars
Diesels not meeting Euro IV or registered after 31 December 2005: add 3% subject to maximum charge of 35%
Zero emission cars, incl. electric only: no taxable benefit from 6 April 2010

VANS – FOR PRIVATE USE

	10-11	09-10
Chargeable amount	£3,000	£3,000

No charge if zero emissions (10-11), or private use is limited to home-work journeys.

FUEL BENEFIT

	10-11	09-10
Multiply the CO_2 % used for the car benefit by	£18,000	£16,900
Minimum charge at 10%	£1,800	£1,690
Maximum charge at 35%	£6,300	£5,915
Vans – flat charge (except zero emissions 10-11)	£550	£500

STAMP DUTY LAND TAX based on consideration

Residential	Commercial	Rate
£125,000* or less	£150,000 or less	Nil
Over £125,000* 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%

** £150,000 for property in disadvantaged areas. £250,000 for first time buyers where completion is from 25/3/10 to 24/3/12*

Stamp Duty (including SDRT): stocks and marketable securities 0.5%
No charge unless the duty exceeds £5

NATIONAL INSURANCE CONTRIBUTIONS

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

	10-11		09-10	
	Employee	**Employer**	**Employee**	**Employer**
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£110 pw	£110 pw	£110 pw	£110 pw
NICs charged up to	£844 pw	No limit	£844 pw	No limit
1% NIC on earnings over	£844 pw	N/A	£844 pw	N/A
Certain married women	4.85%	12.8%	4.85%	12.8%
Contracted-Out Rebate on	£97.01–£770 pw		£95.01–£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 09-11 on car fuel benefits & most other taxable benefits: 12.8%

Self-Employed	10-11		09-10	
Class 2 Flat rate	£2.40 pw	£124.80 pa	£2.40 pw	£124.80 pa
Small earnings exception	£5,075 pa		£5,075 pa	
Class 4 *(Unless over state pension age on 6 April)*				
On profits:	£5,715–£43,875 pa: 8%		£5,715–£43,875 pa: 8%	
	Over £43,875 pa: 1%		Over £43,875 pa: 1%	
Voluntary Class 3 Flat rate	£12.05 pw	£626.60 pa	£12.05 pw	£626.60 pa

BASIC STATE PENSION

	10-11		09-10	
	Weekly	**Annual**	**Weekly**	**Annual**
Single person	£97.65	£5,077.80	£95.25	£4,953.00
Dependant's addition	£58.50	£3,042.00	£57.05	£2,966.60
Total married pension	£156.15	£8,119.80	£152.30	£7,919.60

REGISTERED PENSIONS

		10-11	09-10
Lifetime allowance*		£1,800,000	£1,750,000
Annual allowance		£255,000	£245,000
Special annual allowance applies where relevant income is £130,000 or more	Min.	£20,000	£20,000
	Max.	£30,000	£30,000
Special annual allowance charge		20%–30%	20%
Max. relievable personal contribution		100% of relevant UK earnings or £3,600 if greater	
Max. pension commencement lump sum*		25% of pension benefit value	

Lifetime allowance charge if excess drawn: as cash 55% as income 25%

Annual allowance charge on excess 40%

** Subject to transitional protection for excess amount*

MAIN CAPITAL AND OTHER ALLOWANCES

Plant & machinery 100% annual investment allowance (first year)	£100,000
Plant & machinery (reducing balance) pa	20%
Patent rights & know-how (reducing balance) pa	25%
Certain long-life assets, integral features of buildings (reducing balance) pa	10%
Industrial & agricultural buildings (straight line)	1%
Energy & water-efficient equipment	100%
Zero emission goods vehicles (new)	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

** If new*

Research & Development: Capital expenditure 100%

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

VALUE ADDED TAX

Registration level from 1/4/10 £70,000 Standard rate from 4/1/11 20%

Standard rate 1/1/10 to 3/1/11	17.5%
Reduced rate, eg on domestic fuel	5%
Flat rate scheme turnover limit	£150,000
Cash and annual accounting schemes 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
Following 31 January

- Normally 50% of previous year's income tax, less tax deducted at source
- 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

CORPORATION TAX

Profits	Effective rate to 31/3/11	Effective rate to 31/3/10
£0–£300,000	21%	21%
£300,001–£1,500,000	29.75%	29.75%
£1,500,001 and over	28%	28%

INHERITANCE

	10-11	09-10
Nil-rate band	£325,000	£325,000
Rate of tax on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%
Exemption for overseas domiciled spouse/civil partner	£55,000	£55,000
100% relief: businesses, unlisted/AIM companies, certain farmland/ buildings		
50% relief: certain other business assets		

CAPITAL GAINS TAX

Exemptions	10-11	09-10
Individuals, estates, etc	£10,100	£10,100
Trusts generally	£5,050	£5,050
Chattels proceeds (restricted to 5/3rds of proceeds exceeding limit)	£6,000	£6,000
Tax Rate – Individuals		
To 22/6/10	18%	18%
From 23/6/10 taxable income and post 22/6/10 gains		
To £37,400	18%	–
From £37,400	28%	–
Tax Rate – Trusts and Estates		
To 22/6/10	18%	18%
From 23/6/10	28%	–
Entrepreneurs' Relief – gains taxed at 10%		
Lifetime limit to 22/6/10	£2,000,000	£1,000,000
Lifetime limit from 23/6/10	£5,000,000	–

For trading businesses & companies (minimum 5% employee or director shareholding) held for at least one year.

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