

Tax Facts

TAX RATE CARD

A reminder of Tax Rates throughout the tax year



www.weaccountax.co.uk

The data in this card is based on releases from HM Treasury and HMRC.

INCOME TAX

Personal Allowances

The Personal Allowance is the amount of income a person can get before they pay tax.

| Allowances | 2016 to 2017 | 2015 to 2016 | 2014 to 2015 | 2013 to 2014 |
|---|-----------------|-----------------|-----------------|-----------------|
| Personal Allowance for people born after 5 April 1948 | £11,000 | £10,600 | £10,000 | £9,440 |
| Income limit for Personal Allowance | £100,000 | £100,000 | £100,000 | £100,000 |

The Personal Allowance goes down by £1 for every £2 of income above the £100,000 limit. It can go down to zero.

Personal Allowances for people born before 6 April 1948

People born before 6 April 1948 may be entitled to a bigger Personal Allowance.

From 2015 to 2016, people born after 5 April 1938 get the standard Personal Allowance.

| Allowances | 2016 to 2017 | 2015 to 2016 | 2014 to 2015 | 2013 to 2014 |
|--|-----------------|-----------------|-----------------|-----------------|
| Personal Allowance for people born between 6 April 1938 and 5 April 1948 | £11,000 | £10,600 | £10,500 | £10,500 |
| Personal Allowance for people born before 6 April 1938 | £11,000 | £10,660 | £10,660 | £10,660 |
| Income limit for Personal Allowance | £27,700 | £27,700 | £27,000 | £26,100 |

This Personal Allowance goes down by £1 for every £2 above the income limit. It won't go below the standard Personal Allowance for that year. There's more guidance about Personal Allowances for people born before 6 April 1948 and pre 6 April 1938.

Before 2013 to 2014

Before the 2013 to 2014 tax year, the bigger Personal Allowance was based on age instead of date of birth.

| Allowances | 2012 to 2013 |
|--|---------------------|
| Personal Allowance for people aged 65 to 74 | £10,500 |
| Personal Allowance for people aged 75 and over | £10,660 |
| Income limit for Personal Allowance | £25,400 |

OTHER ALLOWANCES

| Allowances | 2016 to 2017 | 2015 to 2016 | 2014 to 2015 | 2013 to 2014 |
|---|---------------------|---------------------|---------------------|---------------------|
| Married Couple's Allowance - maximum amount | £8,355 | £8,355 | £8,165 | £7,915 |
| Married Couple's Allowance - minimum amount | £3,220 | £3,220 | £3,140 | £3,040 |
| Blind Person's Allowance | £2,290 | £2,290 | £2,230 | £2,160 |

Tax rates and bands

Tax is paid on the amount of taxable income remaining after allowances have been deducted.

| Band | Rate | Income after allowances 2016 to 2017 | Income after allowances 2015 to 2016 | Income after allowances 2014 to 2015 | Income after allowances 2013 to 2014 |
|---------------------------|----------------------------|---|---|---|---|
| Starting rate for savings | 10% (0% from 2015 to 2016) | Up to £5,000 | Up to £5,000 | Up to £2,880 | Up to £2,790 |
| Basic rate | 20% | Up to £32,000 | Up to £31,785 | Up to £31,865 | Up to £32,010 |
| Higher rate | 40% | £32,001 to £150,000 | £31,786 to £150,000 | £31,866 to £150,000 | £32,011 to £150,000 |
| Additional rate | 45% | Over £150,001 | Over £150,001 | Over £150,001 | Over £150,001 |

DIVIDENDS

The following rates for tax on dividends apply from 6 April 2010 to 5 April 2016.

| Band | Dividend tax rates |
|--|---------------------------|
| Basic rate (and non-taxpayers) | 10% |
| Higher rate | 32.5% |
| Additional rate (from 6 April 2013) | 37.5% |
| Additional rate (dividends paid before 6 April 2013) | 42.5% |

PENSIONS

Tax relief is available on contributions subject to the annual allowance of £40,000.

For 2016/17 the allowance is reduced by £1 for every £2 the individual earns over £150,000 subject to a minimum limit of £10,000 remaining unused allowance from the three previous tax years can be carried forward and added to the annual allowance. A charge is applied to any excess pension savings over and above the total allowance. The charge is linked to the individual's marginal rate. A tax charge also arises if the value of the pension at retirement exceeds the lifetime allowance of £1,000,000 (2015/16 £1,250,000). The tax charge is 55% if the amount over the lifetime allowance is paid as a lump sum and 25% if it is not taken as a lump sum. From 2015/16 the annual allowance is reduced to £10,000 if more than 25% pension commencement lump sum has been drawn from a defined contribution pot flexible drawdown has commenced or the income limit for capped drawdown has been exceeded

EMPLOYEE BENEFITS

Company cars

The car benefit is calculated by multiplying the list price of the car when new (not The purchase price) by a percentage that is dependent on the level of approved C O2

| CO2 emissions (g/km) | 2016/2017 BIK rate (%) - Petrol | 2016/2017 BIK rate (%) - Diesel |
|----------------------|------------------------------------|------------------------------------|
| 0 to 50 (Inc. EVs) | 7 | 10 |
| 51-75 | 11 | 14 |
| 76-94 | 15 | 18 |
| 95-99 | 16 | 19 |
| 100-104 | 17 | 20 |
| 105-109 | 18 | 21 |
| 110-114 | 19 | 22 |
| 115-119 | 20 | 23 |
| 120-124 | 21 | 24 |
| 125-129 | 22 | 25 |
| 130-134 | 23 | 26 |
| 135-139 | 24 | 27 |
| 140-144 | 25 | 28 |
| 145-149 | 26 | 29 |
| 150-154 | 27 | 30 |
| 155-159 | 28 | 31 |
| 160-164 | 29 | 32 |
| 165-169 | 30 | 33 |

| | | |
|---------------|----|----|
| 170-174 | 31 | 34 |
| 175-179 | 32 | 35 |
| 180-184 | 33 | 36 |
| 185-189 | 34 | 37 |
| 190-194 | 35 | 37 |
| 195-199 | 36 | 37 |
| 200-204 | 37 | 37 |
| 205 and above | 37 | 37 |

Emissions of the car.

**Company car tax bands
2016/2017:**

- For cars registered

Before 1 January
1998;

%

Up to 1400cc 15
1401 – 2000cc 22
Over 2000cc 32

- For diesel cars add
A 3% surcharge
Subject to the 37%
Maximum. This
Addition will be
Abolished from
April 2021.

Fuel Benefit

For 2016/17 the benefit is £22,200 (£22,100 2015/16) multiplied by the relevant percentage as shown above (plus 3% diesel supplement where applicable).

Beneficial Loans

Threshold from 2014/15 £10,000

Official rate of interest from 2015/16 3 %

Company vans and fuel 2016/17 2015/16

| | | | |
|--------------|--------|--------|------|
| Van benefit | £3,170 | £3,150 | |
| Fuel benefit | | £598 | £594 |

APPROVED MILEAGE RATES

45p per mile for the first 10,000 miles and 25p for additional mileage above that limit. Employers can also pay up to 5p per mile for each employee who travels as a passenger on a business journey.

HMRC's approved 'tax-free' business mileage rates for employees using company cars are reviewed quarterly, with any changes taking effect from 1 March, 1 June, 1 September and 1 December. The rates are the maximum amount that can be paid without a charge to tax and NIC for business miles. If an employee receives less than these rates then they can claim tax relief on the difference.

The current rates can be found at: www.hmrc.gov.uk/cars/advisory_fuel_current.htm

NATIONAL INSURANCE CONTRIBUTION

| | 2015-16 | 2016-17 |
|-----------------------------------|---------|---------|
| Class 1 - Employers and Employees | | |
| Weekly Lower Earnings Limit (LEL) | 112 | 112 |
| Weekly Primary Threshold (PT) | 155 | 155 |
| Weekly Secondary Threshold (ST) | 156 | 156 |
| Upper Earnings Limit (UEL) | 815 | 827 |

Earnings over the LEF qualify an individual for certain state benefits and must be reported under PAYE but no employer's or employee's NICs are payable until earnings exceed the threshold of £156 per week. Contributions above the UAP do not qualify for the second state pension or for contracting out

Class 1 National Insurance contribution rates 2016-17

Employee (Primary)

| | | |
|---------------------|-----|-----|
| Earnings (£ a week) | | |
| £155-827 (UEL) | 12% | 12% |
| Above £827 | 2% | 2% |

Employer (Secondary)

Above £156 (ST) 13.8% 13.8%

| | | |
|---|---------|---------|
| Class 1A (Taxable benefits) | 13.8% | 13.8% |
| Class 1B (PAYE Settlement Agreement) | 13.8% | 13.8% |
| Class 2 (Self-employed)* | | |
| - Small profits threshold | £5,965 | £5,965 |
| - Flat rate per week | £2.80 | £2.80 |
| Class 3 (Voluntary) - Flat rate per week | £14.10 | £14.10 |
| Class 4 (Self-employed) - Lower limit | £8,060 | £8,060 |
| - Upper limit | £43,000 | £42,385 |
| - Rate between limits | 9% | 9% |
| - Rate above upper limit | 2% | 2% |
| Employment Allowance (Per employer) | £3,000 | £2,000 |

* To be abolished from April 2018.

STAMP DUTY LAND TAX

| Property or lease premium or transfer value | SDLT rate |
|--|-----------|
| Up to £125,000 | Zero |
| The next £125,000 (the portion from £125,001 to £250,000) | 2% |
| The next £675,000 (the portion from £250,001 to £925,000) | 5% |
| The next £575,000 (the portion from £925,001 to £1.5 million) | 10% |
| The remaining amount (the portion above £1.5 million) | 12% |
| Over £500,000 if bought by a non-natural person (e.g. a company) | 15% |

3% surcharge for additional residential property or purchases by a company.

Non-residential or mixed use property

You can also use this table to work out the SDLT rate for a lease premium.

| Property or lease premium or transfer value | SDLT rate |
|---|-----------|
| Up to £150,000 | Zero |
| The next £100,000 (the portion from £150,001 to £250,000) | 2% |
| The remaining amount (the portion above £250,000) | 5% |

Leases

Duty payable is 1% of the net present value in excess of the nil rate bands as above,

with a 2% rate for net present value over £5 million.

Stamp Duty on other transfers

Intellectual property Zero

Gifts Zero

Shares and securities 0.5%

CAPITAL ALLOWANCES

Plant and machinery

100% Annual Investment Allowance (AIA)

– expenditure 1.4.14* – 31.12.15

– expenditure post 31.12.15**

Limit

£500,000

200,000

* 6.4.14 for unincorporated businesses and LLPs

**Transitional rules apply for accounting periods straddling a change in AIA limit.

Other rates

– energy- and water-efficient equipment

100%

– writing down allowance: general pool (reducing balance)

18%

– writing down allowance: special rate pool (reducing balance)

8%

The special rate pool includes long life assets, integral plant in buildings, thermal insulation.

Motor cars (expenditure post 31.3.15)

CO2 emissions (g/km)

75 or less (new cars only)

Up to 130 (in general pool)

Above 130 (in special rate pool)

Allowance

100%

18% pa

8% pa

INHERITANCE TAX

Rates & allowances

| | 2016/17 | 2015/16 |
|---|----------|----------|
| Standard rate | 40% | 40% |
| Reduction for charitable donations ⁷ | 36% | 36% |
| Single person's allowance | £325,000 | £325,000 |
| Married couple's allowance | £650,000 | £650,000 |

Main exemptions⁸

| | 2016/17 | 2015/16 |
|--|-----------|-----------|
| Gifts to spouse (domiciled in the UK) | unlimited | unlimited |
| Annual exemption | £3,000 | £3,000 |
| Small gifts | £250 | £250 |
| Gifts in consideration of marriage, made by: | | |
| parents | £5,000 | £5,000 |
| grandparent or fiancé | £2,500 | £2,500 |
| any other person | £1,000 | £1,000 |
| Gifts to charity | unlimited | unlimited |

Regular gifts from excess income may also be exempt from Inheritance Tax, subject to proof there is enough income available after the gift to maintain the giver's normal lifestyle. Such gifts include:

- Christmas, Birthday, wedding, civil partnership and anniversary presents
- life assurance policy premiums
- regular payments into savings plans

CAPITAL GAINS TAX

| | 2016/17 | 2015/16 |
|--|---------|---------|
| Standard rate | 10% | 18% |
| For higher & additional rate taxpayers | 20% | 28% |
| Rate for entrepreneurs relief ⁶ | 10% | 10% |
| Individual allowance | £11,100 | £11,100 |
| Allowance for most Trustees | £5,550 | £5,550 |
| Lifetime allowance for entrepreneurs' relief | £10.0m | £10.0m |

VAT REGISTRATION

| | 2016 / 17 | 2015 / 16 |
|--|-----------|-----------|
| VAT Registration threshold – The level of revenue at which you must register for VAT | £83,000 | £82,000 |

General VAT rates

| | 2016 / 17 | 2015 / 16 |
|--|-----------|-----------|
| Standard – The VAT rate applicable to most goods and services | 20% | 20% |
| Reduced rate – A lower rate applicable to certain goods and services | 5% | 5% |
| Zero rate – A rate applied to some goods and services (food, children’s clothes etc.). | 0% | 0% |

Note: this is not the same as items which are exempt from VAT

IMPORTANT NOTICE

These rates and allowances are based on Budget 2016 and are for Information purpose only. They may be subject to change. Contact us before using any of the rates listed above for your tax declaration.





For further information please contact:

WeAccountax Limited
Expert Accountants



INT H 24 Holborn Viaduct London, UK



+44 2038075353



Info@weaccountax.co.uk



www.weaccountax.co.uk