

Tax Facts

TAX RATE CARD

A reminder of Tax Rates throughout the tax year



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CHARTERED ACCOUNTANTS

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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 Emissions of the car.

Company car tax bands 2016/2017:

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

- 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.

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

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%
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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)	£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	Limit
100% Annual Investment Allowance (AIA)	
– expenditure 1.4.14* – 31.12.15	£500,000
– expenditure post 31.12.15**	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)	Allowance
75 or less (new cars only)	100%
Up to 130 (in general pool)	18% pa
Above 130 (in special rate pool)	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.



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