

tax

*card*

2016/17

*B* i r d *S* i m p s o n

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Registered to carry on audit work by The Institute of Chartered Accountants of Scotland and authorised and regulated by the Financial Conduct Authority for investment business.

<b>INCOME TAX</b>	<b>16/17</b>	<b>15/16</b>
Starting rate of 0% on savings income up to*	£5,000	£5,000
Savings allowance at 0% tax		
Basic rate taxpayers	£1,000	N/A
Higher rate taxpayers	£500	N/A
Additional rate taxpayers	£0	N/A
Basic rate of 20% on income up to	£32,000	£31,785
Maximum tax at basic rate	£6,400	£6,357
Higher rate of 40% on income up to £150,000 from	£32,001	£31,786
Tax on first £150,000	£53,600	£53,643
Additional rate of 45% on income over	£150,000	£150,000
<b>Dividend</b> tax credit	N/A	10%
Dividend allowance at 0% tax – all individuals	£5,000	N/A
Tax rate on dividends based on	Dividend	Dividend + tax credits
Basic rate taxpayers	7.5%	10%
Higher rate taxpayers	32.5%	32.5%
Additional rate taxpayers	38.1%	37.5%
Trusts:		
Standard rate band generally	£1,000	£1,000
Rate applicable to trusts – dividends	38.1%	37.5%
– other income	45%	45%

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

### **Child Benefit Charge**

1% of benefit per £100 of income between £50,000 and £60,000.

<b>Main Personal Allowances and Reliefs</b>	<b>16/17</b>	<b>15/16</b>
Personal (basic)	£11,000	£10,600
Personal reduced by £1 for every £2 of net income over	£100,000	£100,000
Married couples'/civil partners' transferable allowance	£1,100	£1,060
Personal (age) if born before 6/4/38*	N/A	£10,660
Married couples'/civil partners' allowance at 10%*		
(if at least one born before 6/4/35) – maximum	£8,355	£8,355
– minimum	£3,220	£3,220
Blind person's allowance	£2,290	£2,290
Rent-a-room tax-free income	£7,500	£4,250

\*Reduced by £1 for every £2 of income over £27,700, until basic reached.

### **Non-domicile remittance basis charge after UK residence in at least:**

7 of the last 9 tax years	£30,000	£30,000
12 of the last 14 tax years	£60,000	£60,000
17 of the last 20 tax years	£90,000	£90,000

<b>TAX INCENTIVISED INVESTMENT</b>	<b>16/17</b>	<b>15/16</b>
<b>Individual Savings Account (ISA)</b>	£15,240	£15,240
Junior ISA and Child Trust Fund	£4,080	£4,080
Help to Buy ISA (from 1 December 2015)	£1,000 initial and	£200 per month
<b>Venture Capital Trust (VCT) at 30%</b>	£200,000	£200,000
<b>Enterprise Investment Scheme (EIS) at 30%</b>	£1,000,000	£1,000,000
EIS eligible for CGT reinvestment deferral relief	No limit	No limit
Seed enterprise investment scheme (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%

## **CORPORATION TAX**

Rate on profits to 31/3/17 and to 31/3/16	20%
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## **CAR BENEFITS**

Taxable amount based on car's list price when new.

**Fuel:** charge varies according to CO<sub>2</sub> emissions in grams per kilometre.

<b>CO<sub>2</sub></b>	<b>Petrol</b>	<b>Diesel</b>	<b>CO<sub>2</sub></b>	<b>Petrol</b>	<b>Diesel</b>	<b>CO<sub>2</sub></b>	<b>Petrol</b>	<b>Diesel</b>
<b>g/km</b>	<b>%</b>	<b>%</b>	<b>g/km</b>	<b>%</b>	<b>%</b>	<b>g/km</b>	<b>%</b>	<b>%</b>
0-50	7	10	120-4	21	24	165-9	30	33
51-75	11	14	125-9	22	25	170-4	31	34
76-94	15	18	130-4	23	26	175-9	32	35
95-99	16	19	135-9	24	27	180-4	33	36
100-4	17	20	140-4	25	28	185-9	34	37
105-9	18	21	145-9	26	29	190-4	35	37
110-14	19	22	150-4	27	30	195-9	36	37
115-19	20	23	155-9	28	31	200+	37	37
			160-4	29	32			

<b>Fuel Benefit</b>	<b>16/17</b>	<b>15/16</b>
Multiply the CO <sub>2</sub> % charge used for the car benefit by	£22,200	£22,100

## **VANS – FOR PRIVATE USE**

	<b>16/17</b>	<b>15/16</b>
Zero emission: chargeable amount	£634	£630
Other vans: chargeable amount	£3,170	£3,150
Fuel: flat charge	£598	£594

## **BUSINESS TAX-FREE MILEAGE ALLOWANCE – OWN VEHICLE**

Cars first 10,000 miles	45p per mile;	thereafter 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

## NATIONAL INSURANCE CONTRIBUTIONS

Class 1	16/17		15/16	
	Employee	Employer	Employee	Employer
NICs rate	12%	13.8%	12%	13.8%
No NICs on the first: Under 21*	£155 pw	£827 pw	£155 pw	£815 pw
21 and over*	£155 pw	£156 pw	£155 pw	£156 pw
NICs rate charged up to	£827 pw	No limit	£815 pw	No limit
2% NICs on earnings over	£827 pw	N/A	£815 pw	N/A
Certain married women	5.85%	13.8%	5.85%	13.8%

\*For 2016/17 25 for apprentices.

<b>Contracted-Out Rebate on</b>	N/A		£112–£770 pw	
Salary-related scheme	N/A	N/A	1.4%	3.4%

**Employment Allowance** £3,000 £2,000

Payable per business. Not available in 2016/17 if a director is the sole employee.

<b>Class 1A Employer</b>	N/A	13.8%	N/A	13.8%
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### Self-Employed

**Class 2** Flat rate £2.80 pw £145.60 pa £2.80 pw £145.60 pa

Small profits threshold £5,965 pa £5,965 pa

**Class 4** On profits: £8,060–£43,000 pa: 9% £8,060–£42,385 pa: 9%  
Over £43,000 pa: 2% Over £42,385 pa: 2%

**Class 3** Flat rate £14.10 pw, £733.20 pa £14.10 pw, £733.20 pa

**Class 3A** if reached state pension age pre 6/4/2016 Amount depending on age

## STATE PENSION

	16/17		15/16	
	Weekly	Annual	Weekly	Annual
Single person*	£119.30	£6,203.60	£115.95	£6,029.40
Spouse/civil partner*	£71.50	£3,718.00	£69.50	£3,614.00
Single tier†	£155.65	£8,093.80	N/A	N/A

\*State pension age reached before 6/4/2016 †State pension age reached after 5/4/2016

## REGISTERED PENSIONS

	16/17	15/16
Lifetime allowance	£1,000,000	£1,250,000
Annual allowance	£40,000*	£80,000
Annual allowance charge on excess	20%–45%	20%–45%

Max. pension commencement lump sum: 25% of pension benefit value

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

\*Subject to 50% taper down to £10,000 if threshold income over £110,000 and adjusted income over £150,000.

## PROPERTY TRANSACTION TAXES

### Residential property value (on slices of value)

UK excl. Scotland: Stamp Duty Land Tax (SDLT)	% Rate	Scotland: Land & Buildings Transaction Tax (LBTT)	% Rate
Up to £125,000	0	Up to £145,000	0
£125,001–£250,000	2	£145,001–£250,000	2
£250,001–£925,000	5	£250,001–£325,000	5
£925,001–£1,500,000	10	£325,001–£750,000	10
Over £1,500,000	12	Over £750,000	12

**Second properties** over £40,000 – add 3% to SDLT/LBTT from 1/4/16

**UK properties bought** by companies etc over £500,000 – 15% on total

### Commercial property value (on slices of value)

UK excl. Scotland: SDLT	% Rate	Scotland: LBTT	% Rate
Up to £150,000	0	Up to £150,000	0
£150,001–£250,000	2	£150,001–£350,000	3
Over £250,000	5	Over £350,000	4.5

**Stamp Duty & SDRT:** Stocks and marketable securities 0.5%

No charge to stamp duty unless the duty due exceeds £5.

## INHERITANCE TAX

	16/17	15/16
Nil-rate band*	£325,000	£325,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000

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

50% relief: certain other business assets e.g. farmland let pre 1/9/95.

*\*Up to 100% of the unused portion of a deceased spouse's/civil partner's nil-rate band can be claimed on the survivor's death.*

## CAPITAL GAINS TAX

	16/17	15/16
<b>Individuals</b>		
Up to basic rate limit	10%	18%
Above basic rate limit	20%	28%
<b>Trusts and Estates</b>	20%	28%
<b>Surcharge</b> for residential property and carried interest	8%	0%

### Exemptions

Individuals, estates, etc	£11,100	£11,100
Trusts generally	£5,550	£5,550
Chattels (gain restricted to 5/3rds of proceeds over limit)	£6,000	£6,000

**Entrepreneurs' Relief** 10% on lifetime limit of £10,000,000 £10,000,000

For trading businesses and companies (minimum 5% employee/officer shareholding) held for at least one year.

**Investors' Relief** 10% on lifetime limit of £10,000,000 for unlisted shares in trading companies newly issued to outsiders (not employees/officers) after 16/3/16 and held for at least three years with disposals after 5/4/19.

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## MAIN CAPITAL AND OTHER ALLOWANCES

Plant & machinery 100% annual investment allowance (1st year):			
To 31/12/15	£500,000	From 1/1/16	£200,000
Enterprise zone plant & machinery (max €125m per investment project)			100%
Plant & machinery (annual reducing balance)			18%
Patent rights & know-how (annual reducing balance)			25%
Certain long-life assets and integral features of buildings (annual reducing balance)			8%
Energy and water-efficient equipment			100%
Electric vans			100%
Business premises renovation			100%

### Motor Cars

CO <sub>2</sub> emissions of g/km:	75 or less*	76–130	131 or more
Capital allowance	100% first year	18% pat	8% pat

\* For new cars only. † Reducing balance.

<b>Research &amp; Development</b> Capital expenditure			100%
Revenue expenditure (companies)	Small/Medium 230%		Large 130%

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## VALUE ADDED TAX

Standard rate	20%	Reduced rate eg on domestic fuel	5%
Registration level from 1/4/16			£83,000
Deregistration level from 1/4/16			£81,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limits			£1,350,000

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## MAIN DUE DATES FOR TAX PAYMENT

### Income Tax, NIC and Capital Gains Tax – Self-assessment

31 January in tax year	}	• Normally 50% of previous year's income tax, (less tax deducted at source) and class 4 NIC
Following 31 July		
Following 31 January		• Balance of income tax, class 2 and class 4 NIC, and all CGT

<b>Inheritance Tax</b> 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

<b>Corporation Tax</b> Self-assessment:	9 months and 1 day after end of accounting period
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- 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.
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