

Tax Rate Card

2007/08



Income Tax Rates

	2007/08	2006/07
10% on first	£2,230	£2,150
22% on next	£32,370	£31,150
40% on income over	£34,600	£33,300
Dividends for basic-rate taxpayers	10%	10%
Other investment income for basic-rate taxpayers	20%	20%
Dividends for higher-rate tax payers	32.5%	32.5%
Most trusts	40%	40%
Dividends for most trusts	32.5%	32.5%

Main Income Tax Reliefs

	2007/08	2006/07
Personal allowance (basic)	£5,225	£5,035
Personal allowance (age 65 – 74)	£7,550	£7,280
Personal allowance (age 75 and over)	£7,690	£7,420
Married couple's allowance (age 65 – 74)*	£6,285	£6,065
Married couple's allowance (age 75 and over)*	£6,365	£6,135
Income limit for age-related allowances	£20,900	£20,100
Blind person's allowance	£1,730	£1,660
Rent-a-room tax-free income	£4,250	£4,250
Enterprise Investment Scheme at 20%	£400,000	£400,000
Venture Capital Trust at 30%	£200,000	£200,000

* Allowances where relief is restricted to 10%

Employee Benefits

	2007/08	2006/07
Occupational Pension cap for 'new entrants'	£225,000	£215,000
Profit-sharing scheme: 10% of earnings max	£8,000	£8,000
Savings-related share options per month	£250	£250
Approved Share Option Plans	£30,000	£30,000
All Employee Share Schemes - Employers	£3,000	£3,000
- Employees	£1,500	£1,500
Cheap loan benefit tax-free if loan is up to	£5,000	£5,000
Golden handshake exemption	£30,000	£30,000
Relocation expenses	£8,000	£8,000

Car Benefit Assessment 2007/08

Charge based on a percentage of the initial list price of the car; the percentage depends on the carbon dioxide emission rating of the car, if it has one. For older cars without a rating, the percentage depends on engine capacity.

For 2007/08 the percentage for a petrol engine is 15% for ratings up to 140g/km. The percentage increases by 1% for every complete 5g/km in excess of this, to a maximum of 35%. Diesel cars have 3% added to this figure, but still have a maximum percentage of 35%.

Car Fuel 2007/08

The tax charge for fuel provided for private use is calculated by applying the relevant car benefit percentage to a scale charge. For 2007/08 the charge is £14,400.

There are discounts for gas, bi-fuel and electric vehicles.

Capital Gains Tax

	2007/08	2006/07
Individuals:	Taxed as top slice of income	
Most trusts	40%	40%
Annual Exemptions:		
Individuals, personal representatives, etc	£9,200	£8,800
Trusts generally	£4,600	£4,400
Chattels (5/3 taxable on excess)	£6,000	£6,000

After 06 04 1998 Indexation was replaced by taper relief. The taper relief will reduce the amount of chargeable gain according to how long the asset has been held for periods after 05 04 1998. Non-business assets acquired before 17 03 1998 qualify for an additional one year to the period for which they are treated as held after 05 04 1998.

Number of complete years after 05 04 1998 for which asset held	Gains on business assets		Gains on non-business assets	
	Percentage of gain chargeable	Equivalent tax rates for higher-rate/basic-rate taxpayer	Percentage rates for higher-of gainrate/basic-chargeable	Equivalent tax rate taxpayer
0	100	40/20	100	40/20
1	50	20/10	100	40/20
2 or more	25	10/5	100	40/20
3			95	38/19
4			90	36/18
5			85	34/17
6			80	32/16
7			75	30/15
8			70	28/14
9			65	26/13
10 or more			60	24/12

Personal Pensions / Stakeholder Pensions

Tax Year	Lifetime Allowance	Annual Allowance
2007/08	£1,600,000	£225,000
2008/09	£1,650,000	£235,000
2009/10	£1,750,000	£245,000
2010/11	£1,800,000	£255,000

National Insurance Contributions

	2007/08	2006/07
Employees Class 1	– Employees with earnings at or above the lower earnings limit	
Standard rate (contracted in)	11% on weekly earnings between £100.01 and £670	11% on weekly earnings between £97.01 and £645
Standard rate (contracted out)	9.4% on weekly earnings between £100.01 and £670	9.4% on weekly earnings between £97.01 and £645
Married women and widows reduced rate	4.85% on weekly earnings between £100.01 and £670	4.85% on weekly earnings between £97.01 and £645
Additional 1% on all earnings	over £670 per week	over £645 per week

Employers Class 1 Contributions

Weekly Earnings Bands	2007/08		
	Not contracted out	Contracted out COSR Schemes	Contracted out COMP Schemes
Below £100	Nil	Nil	Nil
£100.01 – £670	12.8%	9.3%	11.8%
Over £670	12.8%	12.8%	12.8%

Weekly Earnings Bands	2006/07		
	Not contracted out	Contracted out COSR Schemes	Contracted out COMP Schemes
Below £97	Nil	Nil	Nil
£97.01 – £645	12.8%	9.3%	11.8%
Over £645	12.8%	12.8%	12.8%

Notes: 1. COSR = Contracted Out Salary Related 2. COMP = Contracted Out Money Purchase

	2007/08	2006/07
Self-Employed		
Class 2 – self-employed rate (per week)	£2.20	£2.10
Small earnings exemption (per annum)	£4,635	£4,465
Class 3 – voluntary rate (per week)	£7.80	£7.55
Class 4 – self-employed rate	8%	8%
Lower limit of profits (per annum)	£5,225	£5,035
Upper limit of profits (per annum)	£34,840	£33,540
Additional 1% on all earnings (per annum)	over £34,840	over £33,540

Basic State Pension

	2007/08	2006/07
Single person per year	£4,540.00	£4,381.00
Dependant's additional per year	£2,722.00	£2,626.00
Married couple total per year	£7,262.00	£7,007.00

Inheritance Tax

	2007/08	2006/07
Free of tax up to	£300,000	£285,000
Tax on excess	40%	40%
Transfers to certain trusts	20%	20%
Overseas domiciled spouse exemption	£55,000	£55,000

Business Property and Agricultural Reliefs

	2007/08	2006/07
A business or interest in business	100%	100%
Transfers of unquoted shareholding	100%	100%
Transfers of a controlling shareholding in fully quoted companies, land, buildings, machinery or plant used in business of company or partnership	50%	50%

Reduced tax charge on gifts within seven years of death

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

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

Further gifts may be received free of tax at time of marriage

Corporation Tax

	2007/08	2006/07
Small companies' rate: 20% (19% for 2006/07)	£0-£300,000	£0-£300,000
Marginal relief	£300,001-£1,500,000	£300,001-£1,500,000
Main rate: 30%	£1,500,001 or more	£1,500,001 or more
R&D Tax Relief SME companies	150%	150%
Large companies	125%	125%

Main Capital Allowances

	2007/08	2006/07
Plant and machinery, Patent Rights, Know-How:		
Writing down allowances (reducing balance)	25% pa	25% pa
Plant and machinery: FYA for small-sized businesses	50%	50%
Plant and machinery: FYA for all other businesses	40%	40%

Motor cars:

Writing down allowance (reducing balance) 25% pa max £3,000 pa

Scientific Research - Capital Expenditure 100% initial allowance

Industrial and Agricultural Buildings, Hotels, Docks, etc:

Writing down allowance (straight line) 4% pa

Value Added Tax

Standard rate		17.5%
Domestic fuel and power		5%
Insurance Premium Tax	Higher rate 17.5%	Standard rate 5%
Registration level	from 01 04 2007 £64,000	to 31 03 2007 £61,000
De-registration limit	from 01 04 2007 £62,000	to 31 03 2007 £59,000
Cash-accounting scheme turnover limit		£1,350,000
Optional flatrate scheme turnover limit		£150,000

Car fuel: variable outputs based on car fuel benefit charge

Stamp Duty Land Tax

On documents transferring residential property (excluding shares)

Below £125,000	NIL
£125,001 – £250,000	1%
£250,001 – £500,000	3%
Over £500,000	4%

Individual Savings Accounts (ISA)

For 2007/08 subscription limit is £7,000.

Main Dates for Tax Payments

Income Tax and Capital Gains Tax – Self Assessment

- 31 Jan in tax year } – Normally 50% of previous year's
- Following 31 July } Income Tax, less tax deducted at source
- Following 31 Jan } – Balance of Income Tax and all CGT

Inheritance Tax

- Death: normally six months after month of death
- Lifetime transfer 6 April – 30 Sept: 30 April in following year
- Lifetime transfer 1 Oct – 5 April: six months after month of transfer

Corporation Tax

- Small companies: (taxable profits less than £1,500,000) tax due nine months and one day after end of accounting period.
- Large companies: (taxable profits over £1,500,000) tax due in quarterly instalments from six months and 13 days after start of accounting period.

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