

Tax Rate Card



2010/11

RAWLINSON & HUNTER

## Income Tax Rates

	2010/11	2009/10
Savings rate, 10% on first	+£2,440	+£2,440
Basic rate, 20% on first	£37,400	£37,400
Higher rate, 40% on income over	£37,400	£37,400
Additional rate, 50% on income over	£150,000	N/A
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%
Dividends for additional-rate taxpayers	42.5%	N/A
Most trusts	50%	40%
Dividends for most trusts	42.5%	32.5%

## Main Income Tax Reliefs

	2010/11	2009/10
Personal allowance (basic) <sup>!</sup>	£6,475	£6,475
Personal allowance (age 65 – 74)	£9,490	£9,490
Personal allowance (age 75 and over)	£9,640	£9,640
Married couple's allowance (age 75 and over)*	£6,965	£6,965
Income limit for age-related allowances	£22,900	£22,900
Blind person's allowance	£1,890	£1,890
Rent-a-room tax-free income	£4,250	£4,250
Enterprise Investment Scheme at 20%	£500,000	£500,000
Venture Capital Trust at 30%	£200,000	£200,000

<sup>+</sup> Restricted to savings income and not available if non-savings income exceeds £2,440

<sup>!</sup> Allowance is reduced by £1 for every £2 of assessable income in excess of £100,000 until it is completely removed for assessable income over £112,950

\* Allowances where relief is restricted to 10%

## Car Benefit Assessment 2010/11

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 2010/11 the percentage for a petrol engine is 15% for ratings up to 130g/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%. For petrol engines with a rating of less than 120g/km the percentage rate is reduced to 10% (13% for Diesels) and is further reduced to 5% where the rating is 75g/km or less. For vehicles which cannot produce CO<sub>2</sub> engine emissions under any circumstances there will be a 0% charge.

## Car Fuel 2010/11

The tax charge for fuel provided for private use is calculated by applying the relevant car benefit percentage to a scale charge. For 2010/11 the charge is £18,000.

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

## Employee Benefits

	2010/11	2009/10
Occupational Pension cap for 'new entrants'	£255,000	£245,000
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

## Capital Gains Tax

	2010/11	2009/10
Individuals basic-rate taxpayers	18%	18%
higher/additional-rate taxpayers to 22 June 2010	18%	18%
higher/additional-rate taxpayers from 23 June 2010	28%	N/A
Most trusts to 22 June 2010	18%	18%
from 23 June 2010	28%	N/A
Individuals and some trustees will be able to claim entrepreneurs' relief on the first £2 million (£5 million from 23 June 2010) of lifetime qualifying gains at an effective tax rate of 10%.	10%	10%

### Annual Exemptions:

Individuals, personal representatives, etc	£10,100	£10,100
Trusts generally	£5,050	£5,050
Chattels (5/3 taxable on excess)	£6,000	£6,000

## Personal Pensions / Stakeholder Pensions

Tax Year	Lifetime Allowance	Annual Allowance
2009/10	£1,750,000	£245,000
2010/11	£1,800,000	£255,000

For employees with an annual income in excess of £130,000 and other individuals with income in excess of £150,000 there are special rules limiting the amount of tax relief available.

## Basic State Pension

	2010/11	2009/10
Single person per year	£5,077.80	£4,953.00
Dependant's additional per year	£3,042.00	£2,969.20
Married couple total per year	£8,119.80	£7,922.20

## Individual Savings Accounts (ISA)

For 2010/11 subscription limit is £10,200.

## National Insurance Contributions

Employees Class 1	2010/11	2009/10
– Employees with earnings at or above the lower earnings limit		
Standard rate (contracted in)	11% on weekly earnings between £110.01 and £844	11% on weekly earnings between £110.01 and £844
Standard rate (contracted out)	9.4% on weekly earnings between £110.01 and £844	9.4% on weekly earnings between £110.01 and £844
Married women and widows reduced rate	4.85% on weekly earnings between £110.01 and £844	4.85% on weekly earnings between £110.01 and £844
Additional 1% on all earnings	over £844 per week	over £844 per week

### Employers Class 1 Contributions

Weekly Earnings Bands	2010/11		
	Not contracted out	Contracted out COSR Schemes	Contracted out COMP Schemes
Below £110	Nil	Nil	Nil
£110 – £844	12.8%	9.1%	11.4%
Over £844	12.8%	12.8%	12.8%

Weekly Earnings Bands	2009/10		
	Not contracted out	Contracted out COSR Schemes	Contracted out COMP Schemes
Below £110	Nil	Nil	Nil
£110 – £844	12.8%	9.1%	11.4%
Over £844	12.8%	12.8%	12.8%

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

### Self-Employed

	2010/11	2009/10
Class 2 – self-employed rate (per week)	£2.40	£2.40
Small earnings exemption (per annum)	£5,075	£5,075
Class 3 – voluntary rate (per week)	£12.05	£12.05
Class 4 – self-employed rate	8%	8%
Lower limit of profits (per annum)	£5,715	£5,715
Upper limit of profits (per annum)	£43,875	£43,875
Additional 1% on all earnings (per annum)	over £43,875	over £43,875

## Inheritance Tax

	2010/11	2009/10
Free of tax up to	£325,000	£325,000
Tax on excess	40%	40%
Transfers to most trusts	20%	20%
Overseas domiciled spouse exemption	£55,000	£55,000

Business Property and Agricultural Reliefs	2010/11	2009/10
A business or interest in a business	100%	100%
Transfers of unquoted shareholdings	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

	2010/11	2009/10
Small companies' rate: 21%	£0-£300,000	£0-£300,000
Marginal relief	£300,001-£1,500,000	£300,001-£1,500,000
Main rate: 28%	£1,500,001 or more	£1,500,001 or more
R&D Tax Relief SME companies	175%	175%
Large companies	130%	130%

## Main Capital Allowances

	2010/11	2009/10
Plant and machinery, Patent Rights, Know-How:		
Writing down allowances (reducing balance)	+20% pa	20% pa
Plant and machinery: FYA for small-sized businesses	N/A	40%
Plant and machinery: FYA for all other businesses	N/A	40%
Annual Investment Allowance	£100,000	£50,000

Motor cars:

Writing down allowance (reducing balance) 20% pa max £3,000 pa

Scientific research - Capital expenditure 100% initial allowance

Industrial and agricultural buildings, hotels, docks, etc:

Writing down allowance (straight line) 1% pa 2% pa

<sup>+</sup> The rate of the writing down allowance is reduced to 10% on long-life assets and assets which, whilst qualifying as plant and machinery, are integral features within a building

## Value Added Tax

Standard rate		From 1 January 2010	17.5%	
		From 4 January 2011	20%	
Domestic fuel and power			5%	
Insurance Premium Tax	Higher rate	to 03/01/2011	17.5%	
	Standard rate	to 03/01/2011	5%	
		from 04/01/2011	20%	
		from 04/01/2011	6%	
Registration level	to 31/03/2010	£68,000	from 01/04/2010	£70,000
De-registration limit	to 31/03/2010	£66,000	from 01/04/2010	£68,000
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 where cost is:  
(excluding shares)

Below £125,000*	NIL
£125,001 – £250,000	1% on full price
£250,001 – £500,000	3% on full price
Over £500,000 <sup>+</sup>	4% on full price

\* Increased to £250,000 for 2 years from 25 March 2010 for first time buyers

<sup>+</sup> A new higher rate of 5% on property costing over £1million will be introduced from 6 April 2011

## Main Dates for Tax Payments

Income Tax and Capital Gains Tax – Self Assessment

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