

## Inheritance Tax

	2016/17	2015/16
Free of tax up to	£325,000	£325,000
Tax on excess	40%	40%
Reduced rate*	36%	36%
Transfers to most trusts	20%	20%
Overseas domiciled spouse exemption	£325,000	£325,000

	2016/17	2015/16
<b>Business Property and Agricultural Reliefs</b>		
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%
Agricultural property <sup>†</sup>	100%	100%

### 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, or when made from surplus income

\* For estates leaving 10% or more to charity

† A 50% rate applies for tenanted land on a lease signed before 1 September 1995

## Corporation Tax

	2016/17	2015/16
Main rate	20%	20%
R&D Tax Relief		
SME companies	230%	230%
Large companies*	n/a	130%
R&D Expenditure Credit		
SME companies	14.5%	14.5%
Large companies	11%	11%

\* Withdrawn from 1 April 2016

## Main Capital Allowances

	2016/17	2015/16
Writing down allowances (reducing balance)		
Special rate pool (long life assets, integral features of a building, motor cars with CO <sub>2</sub> emissions >160g/km)	8% pa	8% pa
Main rate pool (other plant and machinery, motor cars, Patent Rights and Know-How)	18% pa	18% pa
Annual Investment Allowance on any item decreased from £500,000 to £200,000 from 1 January 2016	£200,000	£500,000
Motor cars with low CO <sub>2</sub> emissions, capital research and development expenditure, energy saving and environmentally beneficial plant and machinery	No limit	No limit

## Value Added Tax

	2016/17	2015/16
Standard rate	20%	20%
Domestic fuel and power	5%	5%
Registration level	£83,000	£82,000
De-registration limit	£81,000	£80,000
Cash-accounting scheme turnover limit	£1,350,000	£1,350,000
Optional flat rate scheme turnover limit	£150,000	£150,000
Car fuel: variable outputs based on car fuel benefit charge		

## Stamp Duty Land Tax

On land transactions transferring non-residential and mixed use property in England, Wales and Northern Ireland<sup>†</sup>:

On the first £150,000 of chargeable consideration	NIL
On the next £100,000	2%
On the remaining consideration (i.e above £250,000)	5%

On land transactions transferring residential property in England, Wales and Northern Ireland<sup>†</sup>:

	Standard Rate	With Surcharge <sup>1</sup>
On the first £125,000 of chargeable consideration	NIL*	3%
On the next £125,000	2%*	5%
On the next £675,000	5%*	8%
On the next £575,000	10%*	13%
On the remaining consideration (i.e above £1.5million)	12%*	15%

\* Charged at 15% on residential properties where total consideration is more than £500,000 if the property is acquired by certain "non-natural persons" e.g companies, and relevant reliefs do not apply

+ From 1 April 2015 a separate Land and Building Transactions Tax will apply for land transactions in Scotland instead of SDLT

<sup>1</sup> A surcharge of 3% applies in certain circumstances where two or more residential properties are owned following the transaction

## Annual Tax on Enveloped Dwellings

	2016/17	2015/16
On properties held by "non natural persons" (e.g companies) where the value is:		
£500,000 to £1million	£3,500	n/a
£1million to £2million	£7,000	£7,000
£2million to £5million	£23,350	£23,350
£5million to £10million	£54,450	£54,450
£10million to £20million	£109,050	£109,050
£20million and over	£218,200	£218,200

## 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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## Tax Rate Card

2016/17

RAWLINSON & HUNTER

## Income Tax Rates

	2016/17	2015/16
Savings rate, 0% on first <sup>+</sup>	£5,000	£5,000
Basic rate, 20% on first	£32,000	£31,785
Higher rate, 40% on income over	£32,000	£31,785
Additional rate, 45% on income over	£150,000	£150,000
Dividends for basic-rate taxpayers*	7.5%	10% (0%)
Dividends for higher-rate taxpayers*	32.5%	32.5% (25%)
Dividends for additional-rate taxpayers*	38.1%	37.5% (30.1%)
Most trusts	45%	45%
Dividends for most trusts*	38.1%	37.5% (30.1%)

<sup>+</sup> Falling within the basic rate band, restricted to savings income and reduced by £1 for every £1 of non-savings income that exceeds £11,000 (£10,600 for 2015/16)

\* Dividends were deemed to have been paid net of a non-repayable 10% tax credit in 2015/16. The effective rate is shown in brackets to facilitate comparison

## Main Income Tax Reliefs

	2016/17	2015/16
Personal allowance (basic) <sup>!</sup>	£11,000	£10,600
Personal Savings allowance <sup>#</sup>	£1,000	n/a
Dividend allowance	£5,000	n/a
Married couple's allowance (Born before 6 April 1935)*	£8,355	£8,355
Transferable married couples allowance	£1,100	£1,060
Income limit for married couples allowances	£27,700	£27,700
Blind person's allowance	£2,290	£2,290
Rent-a-room tax-free income	£7,500	£4,250
Enterprise Investment Scheme at 30%	£1,000,000	£1,000,000
Seed Enterprise Investment Scheme at 50%	£100,000	£100,000
Venture Capital Trust at 30%	£200,000	£200,000

<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 £122,000 (£121,200 for 2015/16)

\* Allowance where relief is restricted to 10%

<sup>#</sup> £500 for higher rate taxpayers and zero for additional rate taxpayers

## Car Benefit Assessment 2016/17

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 2016/17 the percentage for a petrol engine is 16% for CO<sub>2</sub> emissions of 95g/km. The percentage increases by 1% for every complete 5g/km in excess of this, to a maximum of 37%. Diesel cars have 3% added to this figure, but still have a maximum percentage of 37%. For cars with a CO<sub>2</sub> emission of less than 50g/km the percentage is 7%, between 51g/km and 75g/km the percentage is 11% and between 76g/km and 94g/km the percentage is 15%.

## Car Fuel 2016/17

The tax charge for fuel provided for private use is calculated by applying the relevant car benefit percentage to a scale charge. For 2016/17 the charge is £22,200.

## Employee Benefits

	2016/17	2015/16
Savings-related share options per month	£500	£500
Approved Share Option Plans	£30,000	£30,000
All Employee Share Schemes - Free share plan	£3,600	£3,600
- Partnership share plan	£1,800	£1,800
EMI Share Option Schemes	£250,000	£250,000
Cheap loan benefit tax-free if loan is up to	£10,000	£10,000
Ex-gratia termination payment exemption	£30,000	£30,000
Relocation expenses	£8,000	£8,000

## Capital Gains Tax

	2016/17	2015/16
Individuals basic-rate taxpayers*	10%	18%
higher/additional-rate taxpayers*	20%	28%
Most trusts*	20%	28%

Individuals, some trustees and external investors with long-term holdings in certain unlisted companies may be able to claim entrepreneur's relief on the first £10 million from 6 April 2011 of lifetime qualifying gains at an effective tax rate of 10%

Annual Exemptions:	2016/17	2015/16
Individuals, personal representatives, etc	£11,100	£11,100
Trusts generally	£5,550	£5,550

Non-UK residents are subject to Capital Gains Tax on the sale of UK residential property from 6 April 2015 to the extent the gain has accrued after that date\*

\* An 8% surcharge will be applied from 6 April 2016 on the disposal of carried interest and residential property (that does not qualify for Principal Private Residence Relief)

## Pensions

	2016/17	2015/16
Annual allowance*	£40,000	£40,000
Lifetime Allowance	£1,000,000	£1,250,000

\* From 6 April 2016 the allowance is reduced to a minimum of £10,000 by £1 for every £2 of assessable income in excess of £150,000

## Basic State Pension

	2016/17	2015/16
Single person per year	£6,203.60	£6,029.40
Dependant's additional per year	£3,718.00	£3,614.00
Married couple total per year	£9,921.60	£9,643.40
New State Pension	£8,093.80	n/a

## Individual Savings Accounts (ISA)

	2016/17	2015/16
Subscription limit	£15,240	£15,240
Junior ISA	£4,080	£4,080
Child Trust Fund	£4,080	£4,080

## National Insurance Contributions

Employees Class 1 Contributions	2016/17	2015/16
- Employees with earnings at or above the lower earnings limit		
Standard rate	12%* on weekly earnings between £155.01 and £827	12% on weekly earnings between £155.01 and £815
Additional 2% on all earnings	over £827 per week	over £815 per week

\* A reduced rate of 5.85% applies to married women and widows

Employers Class 1 Contributions	2016/17	2015/16
Standard rate	13.8% on weekly earnings above £156.01	13.8% on weekly earnings above £156.01

Self-Employed	2016/17	2015/16
Class 2 – self-employed rate (per week)	£2.80	£2.80
Small earnings exemption (per annum)	£5,965	£5,965
Class 3 – voluntary rate (per week)	£14.10	£14.10
Class 4 – self-employed rate	9%	9%
Lower limit of profits (per annum)	£8,060	£8,060
Upper limit of profits (per annum)	£43,000	£42,380
Additional 2% on all earnings (per annum)	over £43,000	over £42,380

## Non-UK Domiciled Individuals - Remittance Basis Charge

	2016/17	2015/16
Unremitted income and gains less than £2,000	NIL	NIL
Resident in at least 7 of the previous 9 years	£30,000	£30,000
Resident in at least 12 of the previous 14 years	£60,000	£60,000
Resident in at least 17 of the previous 20 years	£90,000	£90,000