

Tax Rate Card

2020/21



## Income Tax Rates\*

	2020/21	2019/20
Savings rate, 0% on first <sup>+</sup>	£5,000	£5,000
Basic rate, 20%* on first	£37,500	£37,500
Higher rate, 40%* on income over	£37,500	£37,500
Additional rate, 45%* on income over	£150,000	£150,000
Dividends for basic-rate taxpayers	7.5%	7.5%
Dividends for higher-rate taxpayers	32.5%	32.5%
Dividends for additional-rate taxpayers	38.1%	38.1%
Most trusts	45%	45%
Dividends for most trusts	38.1%	38.1%

<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 £12,500 (£12,500 for 2019/20)

\* For 2020/21 the tax rates for Scottish Taxpayers differ from the rest of the UK. An additional 1% will be added to the higher and additional rates and starter/intermediate rate bands will be included within the basic rate band with rates at 19% and 21% respectively.

## Main Income Tax Reliefs

	2020/21	2019/20
Personal allowance (basic) <sup>!</sup>	£12,500	£12,500
Personal Savings allowance <sup>#</sup>	£1,000	£1,000
Dividend allowance	£2,000	£2,000
Married couples allowance (Born before 6 April 1935)*	£9,075	£8,915
Income limit for married couples allowance	£30,200	£29,600
Transferable marriage allowance	£1,250	£1,250
Blind person's allowance	£2,500	£2,450
Rent-a-room tax-free income	£7,500	£7,500
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 £125,000 (£125,000 for 2019/20)

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

\* Allowance where relief is restricted to 10%

\*\*Allowance increased to £2m if the excess over £1m is invested in knowledge-intensive companies

## Car Benefit Assessment 2020/21

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, and its electric range, if it has one. For older cars without a rating, the percentage depends on engine capacity.

For 2020/21 the percentage depends on whether the car was registered before 6 April 2020. For cars registered before, the percentage for a petrol engine is 15% (13% if registered on or after this date) for CO<sub>2</sub> emissions over 50g/km, the percentage increases by 1% for every complete 5g/km in excess of 50g/km, to a maximum of 37%. Diesel cars have 4% added to the relevant percentage, but still have a maximum percentage of 37%. For cars with a CO<sub>2</sub> emission of 50g/km or less, the percentage is between 0% and 14% (0% and 12% if registered on or after 6 April 2020), depending on its electric range (if applicable).

## Car Fuel 2020/21

The tax charge for fuel provided for private use is calculated by applying the relevant car benefit percentage to a scale charge. For 2020/21 the charge is £24,500.

## Employee Benefits

	2020/21	2019/20
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

	2020/21	2019/20
Individuals basic-rate taxpayers*	10%	10%
higher/additional-rate taxpayers*	20%	20%
Most trusts*	20%	20%
Qualifying Entrepreneurs' Relief Gains <sup>+</sup> and Qualifying Investors' Relief Gains	10%	10%
Annual Exemptions:	2020/21	2019/20
Individuals, personal representatives, etc	£12,300	£12,000
Trusts generally	£6,150	£6,000

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\* Extended to disposals of UK non-residential property and shares in "property rich" companies (rebased to 5 April 2019 value).

\* Lifetime limit reduced to £1,000,000

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

## Pensions

	2020/21	2019/20
Annual Allowance*	£40,000	£40,000
Money Purchase Annual Allowance	£4,000	£4,000
Lifetime Allowance	£1,073,100	£1,055,000

From 6 April 2020 the allowance is reduced to a minimum of £4,000 by £1 for every £2 of assessable income in excess of £240,000

## Basic State Pension

	2020/21	2019/20
Single person per year	£6,981.00	£6,718.40
Dependant's additional per year	£4,183.40	£4,027.40
Married couple total per year	£11,164.40	£10,745.80
New State Pension	£9,110.40	£8,767.20

## Individual Savings Accounts (ISA)

	2020/21	2019/20
Subscription limit	£20,000	£20,000
Junior ISA	£9,000	£4,368
Child Trust Fund	£9,000	£4,368

## National Insurance Contributions

Employees' Class 1 Contributions	2020/21	2019/20
– Employees with earnings at or above the lower earnings limit		

Standard rate	12%* on weekly earnings between £183 and £962	12% on weekly earnings between £166 and £962
Additional 2% on all earnings	over £962 per week	over £962 per week

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

Employers' Class 1 Contributions	2020/21	2019/20
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Standard rate	13.8% on weekly earnings above £169	13.8% on weekly earnings above £166
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A £4,000 Employment Allowance is available against Employers' Class 1 National Insurance Contributions, if qualifying conditions are met.

Self-Employed	2020/21	2019/20
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Class 2 – self-employed rate (per week)	£3.05	£3.00
Small earnings exemption (per annum)	£6,475	£6,365
Class 3 – voluntary rate (per week)	£15.30	£15.00
Class 4 – self-employed rate	9%	9%
Lower limit of profits (per annum)	£9,500	£8,632
Upper limit of profits (per annum)	£50,000	£50,000
Additional 2% on all earnings (per annum)	over £50,000	over £50,000

## Non-UK Domiciled Individuals - Remittance Basis Charge

	2020/21	2019/20
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 15 of the previous 20 years	Remittance basis not available	Remittance basis not available

## Inheritance Tax

	2020/21	2019/20
Free of tax up to	£325,000	£325,000
Additional Residence Nil Rate Band <sup>+</sup>	£175,000	£150,000
Tax on excess	40%	40%
Reduced rate*	36%	36%
Transfers to most trusts	20%	20%
Overseas domiciled spouse exemption	£325,000	£325,000

## Business Property and Agricultural Reliefs

	2020/21	2019/20
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

+ Available if strict criteria are met

\* 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

	2020/21	2019/20
Main rate	19%	19%
R&D Tax Relief SME companies	230%	230%
SME R&D Tax Credit SME companies	14.5%	14.5%
R&D Expenditure Credit Large companies	13%	12%

## Main Capital Allowances

	2020/21	2019/20
Writing down allowances (reducing balance)		
Special rate pool (long life assets, integral features of a building, motor cars with CO <sub>2</sub> emissions >110g/km)	6% pa	6% pa
Main rate pool (other plant and machinery, motor cars, Patent Rights and Know-How)	18% pa	18% pa
Annual Investment Allowance*	£1,000,000/ £200,000	£1,000,000
Motor cars with low CO <sub>2</sub> emissions, capital research and development expenditure	100% First year allowances	100% First year allowances
Structures & Buildings Allowance	3%	2%

\* Annual Investment Allowance of £1,000,000 will apply until 31 December 2020 and will be £200,000 thereafter

## Value Added Tax

	2020/21	2019/20
Standard rate	20%	20%
Domestic fuel and power	5%	5%
Registration level	£85,000	£85,000
De-registration limit	£83,000	£83,000
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 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 and Northern Ireland<sup>†</sup>:

	Standard Rate**	With Surcharge <sup>†</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

\*\* For first time buyers purchasing a property where total consideration is £500,000 or less no charge will apply on the first £300,000 and 5% is charged on the next £200,000 of consideration

+ A separate Land and Buildings Transaction Tax applies to land transactions in Scotland instead of SDLT. From 1 April 2018, a separate Land Transaction Tax applies to land transactions in Wales instead of SDLT

† A surcharge of 3% normally applies where two or more residential dwellings are owned post transaction. SDLT is payable within 14 days of the effective date of the transaction. A 2% SDLT surcharge will apply from 1 April 2021 for non-residents purchasing residential property

## Annual Tax on Enveloped Dwellings

### On properties held by "non natural persons"

(e.g companies) where the value is:

	2020/21	2019/20
£500,000 to £1million	£3,700	£3,650
£1million to £2million	£7,500	£7,400
£2million to £5million	£25,200	£24,800
£5million to £10million	£58,850	£57,900
£10million to £20million	£118,050	£116,100
£20million and over	£236,250	£232,350

For existing properties, ATED is payable by 30 April during the tax year.

## 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
- Very large companies:(taxable profits over £20,000,000) tax due in quarterly instalments from two months and 13 days after start of accounting period

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