



TAX CARD

JULY 2015



IMPORTANT NOTICE: Summer Budget 2015 version
These rates and allowances are information only.
Contact us to discuss your planning.

TAX FREE MILEAGE ALLOWANCES

| | | |
|--------------------|-----------------------------|-----|
| Cars and vans | First 10,000 business miles | 45p |
| | Thereafter | 25p |
| Motorcycles | 24p | |
| Bicycles | 20p | |
| Business passenger | 5p | |

Note: For NI purposes: 45p for all business miles.

■ Fuel only allowance for company cars

| From 1 March 2015 | Petrol | Diesel | LPG |
|-------------------|--------|--------|-----|
| Up to 1400cc* | 11p | 9p | 8p |
| 1401** – 2000cc | 13p | 11p | 10p |
| Over 2000cc | 20p | 14p | 14p |

These rates may change within the tax year. *1600cc for diesel **1601cc for diesel. Hybrid cars are treated as either petrol or diesel cars.

VEHICLE AND FUEL BENEFITS IN KIND (BIK)

The taxable BIK is calculated as a percentage of the car's UK list price. The percentage depends on the car's CO₂ emissions in grams per kilometre (g/km).

| Emissions | Petrol | Diesel |
|-------------------|------------------------|--------|
| 0 – 50g/km | 5% | 8% |
| 51 – 75g/km | 9% | 12% |
| 76 – 94g/km | 13% | 16% |
| Over 94g/km | add 1% for every 5g/km | |
| 210g/km* and over | 37% maximum | |

* 195g/km and over for diesel.

Chargeable on employees earning £8,500 or over (including BIK) and directors. The list price is on the day before first registration, including most accessories and is reduced by any employee's capital contribution (max £5,000) when the car is first made available.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage (above) to £22,100 (2014/15 £21,700).

Vans where private use is more than home to work travel; £3,150 (2014/15, £3,090) benefit and £594 (2014/15, £581) for private fuel. Payments by employees for private use may reduce the BIK. Vans with zero emissions have a benefit of £630.

VALUE ADDED TAX

| From 1 April | 2015 | 2014 |
|---------------|------|------|
| Standard rate | 20% | 20% |
| VAT fraction | 1/6 | 1/6 |

■ Taxable turnover limits

| | | |
|--|------------|------------|
| Registration (last 12 months or next 30 days over) | £82,000 | £81,000 |
| Deregistration (next year under) | £80,000 | £79,000 |
| Annual accounting scheme | £1,350,000 | £1,350,000 |
| Cash accounting scheme | £1,350,000 | £1,350,000 |
| Flat rate scheme | £150,000 | £150,000 |

STAMP TAXES

Stamp duty is payable at a rate of 0.5% on certain transfers of shares and securities of £1,000 and over.

The incremental rate of stamp duty land tax is only payable on the part of the property price within each duty band.

| On the transfer of residential property | | | |
|---|----|------------------------|------|
| Up to £125,000 | 0% | £925,001 to £1,500,000 | 10% |
| £125,001 to £250,000 | 2% | Over £1,500,000 | 12% |
| £250,001 to £925,000 | 5% | Over £500,000 | 15%* |

*For purchases by certain non-natural persons.

■ Land and buildings transaction tax in Scotland

| On the transfer of residential property | | | |
|---|----|----------------------|-----|
| Up to £145,000 | 0% | £325,001 to £750,000 | 10% |
| £145,001 to £250,000 | 2% | Over £750,000 | 12% |
| £250,001 to £325,000 | 5% | | |

ISA AND JUNIOR ISA

| Annual investment limit | 2015/16 | 2014/15* |
|-------------------------|---------|----------|
| ISA | £15,240 | £15,000 |
| Junior ISA | £4,080 | £4,000 |

* From 1 July 2014.

TAXABLE INCOME BANDS AND TAX RATES

| | 2015/16 | 2014/15 |
|-----------------------------|------------------|------------------|
| Savings starting rate limit | £5,000* | £2,880 |
| Savings starting rate | 0% | 10% |
| Basic rate band | £31,785 | £31,865 |
| Basic rate | 20% | 20% |
| Dividend ordinary rate | 10% | 10% |
| Higher rate band | £31,786-£150,000 | £31,866-£150,000 |
| Higher rate | 40% | 40% |
| Dividend upper rate | 32.5% | 32.5% |
| Additional rate band | over £150,000 | over £150,000 |
| Additional rate | 45% | 45% |
| Dividend additional rate | 37.5% | 37.5% |

* Savings income falling into the first £5,000 may be taxed at 0% for certain low income earners.

■ Allowances that reduce taxable income

| | | 2015/16 | 2014/15 |
|---|---|---------|---------|
| Personal allowance | Born after 5 April 1948 | £10,600 | £10,000 |
| | Born between 6 April 1938 and 5 April 1948* | £10,600 | £10,500 |
| | Born before 6 April 1938* | £10,660 | £10,660 |
| Married couples/civil partners transferable allowance | | £1,060 | N/A |
| Blind person's allowance | | £2,290 | £2,230 |

* The higher personal allowances are reduced by £1 for each £2 of income above £27,700 (2014/15, £27,000), until £10,600 (2014/15, £10,000) is reached. This is further reduced by £1 for each £2 of income from £100,000 to £121,200 (2014/15, £120,000).

■ Allowances that reduce tax

| | 2015/16 | 2014/15 |
|--|---------|---------|
| Married couple's allowance (MCA) tax reduction | £835.50 | £816.50 |

Available to people born before 6 April 1935. The age for MCA is of the elder spouse or civil partner. The loss of tax reduction is 10p for each £2 of income above £27,700 (2014/15, £27,000) until £322 (2014/15, £314) is reached.

■ High income child benefit charge

| | 2015/16 | 2014/15 |
|-----------|---------|---------|
| Threshold | £50,000 | £50,000 |

There is a tax charge of 1% of the child benefit received for each £100 that the threshold is exceeded up to a maximum of 100%.

INHERITANCE TAX

| | 2015/16 | 2014/15 |
|---|----------|----------|
| Single person's threshold | £325,000 | £325,000 |
| Combined threshold limit for married couples and civil partners | £650,000 | £650,000 |

■ Tax rates

| | 2015/16 | 2014/15 |
|---|---------|---------|
| Main rate | 40% | 40% |
| Chargeable on lifetime transfers | 20% | 20% |
| Transfers on or within seven years of death | 40% | 40% |
| Reduced rate* | 36% | 36% |

* Applies if 10% or more of net estate given to charity.

All lifetime transfers not covered by exemptions and made within 7 years of death will be added back into the estate for the purposes of calculating the tax payable. This may then be reduced as follows:

| Years before death | 0-3 | 3-4 | 4-5 | 5-6 | 6-7 |
|--------------------|-----|-----|-----|-----|-----|
| Tax reduced by | 0% | 20% | 40% | 60% | 80% |

■ Main exemptions

1. Most transfers between spouses and between civil partners.
2. First £3,000 of lifetime transfers in any tax year plus any unused from the previous year.
3. Gifts up to £250 p.a. to any number of persons.
4. Gifts made out of income that form part of normal expenditure and do not reduce the standard of living.
5. Gifts in consideration of marriage/civil partnership up to £5,000 by a parent, £2,500 by grandparents, or £1,000 by anyone else.
6. Gifts to charities, whether made during lifetime or on death.
7. A £175,000 transferrable allowance for residential property passed to children or grandchildren will be phased in from 2017.

CORPORATION TAX

| Financial year to 31 March | | 2016 | 2015 |
|----------------------------|-----------------|------|--------|
| Taxable profits | Main rate | 20% | 21% |
| | First £300,000 | N/A | 20% |
| | Next £1,200,000 | N/A | 21.25% |
| | Over £1,500,000 | N/A | 21% |

NATIONAL INSURANCE

■ Class 1 (not contracted out)

| Employee | | Employer | |
|------------------------|-----|------------------------|--------|
| Earnings per week | | | |
| Up to £155 | 0% | Up to £156 | 0% |
| £155.01 - £815 | 12% | Over £156 | 13.8%* |
| Over £815 | 2% | | |
| Over state pension age | 0% | Over state pension age | 13.8% |

* 0% under 21 on earnings up to £815 per week.

■ Class 1A

| | |
|----------------------|-------|
| On relevant benefits | 13.8% |
|----------------------|-------|

■ Class 2

| | |
|-------------------------|------------------|
| Self employed | £2.80 per week |
| Small profits threshold | £5,965 per annum |

■ Class 3

| | |
|-----------|-----------------|
| Voluntary | £14.10 per week |
|-----------|-----------------|

■ Class 4*

| | |
|---|----|
| Self employed on profits £8,060-£42,385 | 9% |
| Over £42,385 | 2% |

* Exemption applies if the state retirement age is reached by 6 April 2015.

■ Employment allowance

| | |
|------------------------|---------|
| Per employer, per year | £2,000* |
|------------------------|---------|

* 1 claim only for companies in a group or under common control.

PENSION CONTRIBUTIONS

| | |
|------------------------------------|---|
| Individuals | £3,600 or 100% of net relevant earnings to £40,000* |
| Employers | £40,000* less employee contributions |
| Minimum age for accessing benefits | 55 |
| Lifetime allowance | £1,250,000 |

* Plus unutilised allowances from the 3 previous years. £10,000 limit may apply if in income drawdown.

Pension contributions for additional rate taxpayers will be tapered to a minimum of £10,000 a year from April 2016.

CAPITAL GAINS TAX

| | | 2015/16 | 2014/15 |
|-----------------------|-----------------|---------|---------|
| Lower rate | | 18% | 18% |
| Higher rate | | 28% | 28% |
| Annual exemption | Individuals | £11,100 | £11,000 |
| | Settlements | £5,550 | £5,500 |
| Entrepreneurs' relief | Applicable rate | 10% | 10% |
| | Lifetime limit | £10m | £10m |

MAIN CAPITAL ALLOWANCES

■ Initial allowances

| | |
|--|------|
| First year allowance: for certain environmentally beneficial equipment, electric and low CO ₂ emission (up to 75g/km) cars - must be new and unused | 100% |
| Annual investment allowance: on first £500,000 of investment to 31 December 2015* (excludes cars) | 100% |

* Allowance from 1 January 2016 will be £200,000.

■ Writing down allowances

| | | |
|--|------------------|-----|
| Other plant and machinery | 18% | |
| Long-life assets, integral features of buildings, thermal insulation | 8% | |
| Cars | 76g/km – 130g/km | 18% |
| | Over 130g/km | 8% |

INVESTMENT RELIEFS

| | | |
|-----------------------------------|-------------|------------|
| Enterprise investment scheme | Limit | £1,000,000 |
| | Relief rate | 30% |
| Venture capital trust | Limit | £200,000 |
| | Relief rate | 30% |
| Seed enterprise investment scheme | Limit | £100,000 |
| | Relief rate | 50% |

DUE DATES FOR TAX PAYMENTS

| Income tax and class 4 NIC | 2015/16 | 2014/15 |
|-------------------------------------|--|----------------|
| 1st payment on account (31 January) | 2016 | 2015 |
| 2nd payment on account (31 July) | 2016 | 2015 |
| Balancing payment (31 January) | 2017 | 2016 |
| Capital gains tax (31 January) | 2017 | 2016 |
| Inheritance tax | Normally 6 months after the end of the month in which death occurs | |

Corporation tax

Small and medium companies

9 months and 1 day after the end of the accounting period

Large companies

4 quarterly instalments commencing 6 and a half months into the accounting period

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