

# TAX RATES



AFFILIATED WITH



# RATES AND ALLOWANCES

## INCOME TAX RATES

2016/17		2015/16	
Band £	Rate %	Band £	Rate %
0 – 5,000	0*	0 – 5,000	0*
0 – 32,000	20**	0 – 31,785	20**
32,001 – 150,000	40*	31,786 – 150,000	40*
Over 150,000	45*	Over 150,000	45*

\*Only applicable to savings income. The rate is not available if taxable non-savings income exceeds £5,000. For 2016/17, £1,000 of savings income for basic rate taxpayers (£500 for higher rate) may be tax free.

\*\*Except dividends 7.5% (0%). •Except dividends 32.5% (25%). ●Except dividends 38.1% (30.6%). Other income taxed first, then savings income and finally dividends. For 2016/17 the first £5,000 of dividends are tax free

## INCOME TAX RELIEFS

	2016/17	2015/16
	£	£
<b>Personal allowance</b>		
- born after 5 April 1938	11,000**	10,600**
- born before 6 April 1938*	11,000**	10,660**
<small>(Reduce personal allowance by £1 for every £2 of adjusted net income over £100,000)</small>		
<small>**£1,100 (£1,060) may be transferable between certain spouses where neither pay tax above the basic rate.</small>		
<b>Married couples allowance (relief at 10%)*</b>	8,355	8,355
<small>(Either partner 75 or over and born before 6 April 1935)</small>		
- Min amount	3,220	3,220
<b>Age allowance income limit*</b>	27,700	27,700
<small>(Reduce age allowance by £1 for every £2 of adjusted net income over £27,700.)</small>		
<b>Blind person's allowance</b>	2,290	2,290

## PENSION PREMIUMS

2016/17 and 2015/16

Tax relief available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings (max. £40,000). Any contributions in excess of £40,000, whether personal or by the employer, may be subject to income tax on the individual. The limit may be reduced to £10,000 once money purchase pensions are accessed, and from 2016/17 a taper relief will be introduced if income is over £150,000, subject to a minimum reduced allowance of £10,000. Where the £40,000 limit is not fully used it may be possible to carry the unused amount forward for three years. Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively'. Tax relief for large contributions may be spread over several years.

## INDIVIDUAL SAVINGS ACCOUNTS

	2016/17 and 2015/16
Overall investment limit	£15,240
Junior account limit	£4,080

## VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%

Annual Registration Limit from 1.4.16 (1.4.15 – 31.3.16) £82,000 £83,000

Annual Deregistration Limit from 1.4.16 (1.4.15 – 31.3.16) £80,000 £81,000

## CAR, VAN AND FUEL BENEFITS

CO <sub>2</sub> emissions (gm/km) (rounded down to nearest 5 gm/km)	% of car's list price taxed
0 – 50*	7%
51-75*	11%
76-94*	15%
95	16%
100	17%
105	18%
110	19%
115	20%
120	21%
125	22%
130	23%
135	24%
140	25%
145	26%
150	27%
155	28%
160	29%
165	30%
170	31%
175	32%
180	33%
185	34%
190	35%
195	36%
200 and above	37%

### Company cars 2016/17

For diesel cars add a 3% supplement but maximum still 37%. For cars registered before 1 January 1998 the charge is based on engine size. The list price includes accessories and is not subject to an upper limit. The list price is reduced for capital contributions made by the employee up to £5,000. Special rules may apply to cars provided for disabled employees.

\*Rounding down to the nearest 5gm/km does not apply

### Car fuel benefit 2016/17

£22,200 x 'appropriate percentage'

\*Percentage used to calculate the taxable benefit of the car for which the fuel is provided. The charge does not apply to certain environmentally friendly cars. The charge is proportionately reduced if provision of private fuel ceases part way through the year. The fuel benefit is reduced to nil only if the employee pays for all private fuel.

### Van benefit per vehicle 2016/17

Van benefit	Fuel benefit
£3,170	£598

The charges do not apply to vans if a 'restricted private use condition' is met throughout the year. A reduced charge may be due if the van cannot in any circumstances emit CO<sub>2</sub> by being driven.

## MILEAGE ALLOWANCE PAYMENTS

2016/17 and 2015/16

Cars and vans	Rate per mile
Up to 10,000 miles	45p
Over 10,000 miles	25p
<b>Bicycles</b>	20p
<b>Motorcycles</b>	24p

These rates represent the maximum tax free mileage allowances for employees using their own vehicles for business. Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

## CAPITAL GAINS TAX

	2016/17**	2015/16
Individuals	£	£
Exemption	11,100	11,100
Standard rate	10%	18%
Higher rate*	20%	28%
Trusts		
Exemption	5,550	5,500
Rate	20%	28%

\*For higher and additional rate taxpayers

\*\*Higher rates may apply to the disposal of certain residential property

### Entrepreneurs' Relief

The first £10m of qualifying gains are charged at 10%. Gains in excess of the limit are charged at the rates above.

## STATUTORY PAY RATES

		2016/17 £	2015/16 £
<b>Weekly benefit</b>			
<b>Basic retirement pension</b>	Single person	119.30	115.95
	Married couple	190.80	185.45
<b>Statutory pay rates – average weekly earnings £112 or over</b>			
Statutory Sick Pay		88.45	88.45
Statutory Maternity and Adoption Pay	First six weeks	90% of weekly earnings	
	Next 33 weeks	139.58*	139.58*
Statutory Paternity Pay	Two weeks	139.58*	139.58*

\*Or 90% of weekly earnings if lower

## CAPITAL ALLOWANCES

### Plant and machinery - Annual Investment Allowance (AIA)

The AIA gives a 100% write-off on most types of plant and machinery costs, including integral features and long life assets but not cars, of up to £200,000 p.a. for expenditure incurred on or after 1 January 2016. The previous rate was £500,000 p.a. Special rules apply to accounting periods straddling these dates.

Any costs over the AIA fall into the normal capital allowance pools below. The AIA may need to be shared between certain businesses under common ownership.

### Other plant and machinery allowances

The annual rate of allowance is 18%. An 8% rate applies to expenditure incurred on integral features and on long life assets.

A 100% first year allowance may be available on certain energy efficient plant and cars, including expenditure incurred on new and unused zero emission goods vehicles.

### Cars

For expenditure incurred on cars, costs are generally allocated to one of the two plant and machinery pools. Cars with CO2 emissions not exceeding 130gm/km receive an 18% allowance p.a. Cars with CO2 emissions over 130gm/km receive an 8% allowance p.a.

## NATIONAL INSURANCE

### 2016/17 Class 1 (employed) rates

Employee		Employer**	
Earnings per week	%	Earnings per week**	%
Up to £155	Nil*	Up to £156	Nil
£155.01 - £827	12	Over £156	13.8**
Over £827	2		

\*Entitlement to contribution-based benefits retained for earnings between £112 and £155 per week.

\*\*The rate is 0% in relation to employees under 21 on earnings up to £827 per week.

<b>Class 1A (employers)</b>	13.8% on employee taxable benefits
<b>Class 1B (employers)</b>	13.8% on PAYE settlement agreements
<b>Class 2 (self-employed)</b>	flat rate per week £2.80 small profits threshold £5,965 p.a.
<b>Class 3 (voluntary)</b>	flat rate per week £14.10
<b>Class 4 (self-employed)</b>	9% on profits between £8,060 and £43,000 plus 2% on profits over £43,000

## INHERITANCE TAX

Death rate %	Lifetime rate %	Chargeable transfers 2016/17 and 2015/16
Nil	Nil	0 – £325,000*
40%	20%	Over £325,000*

\*Potentially increased for surviving spouses or civil partners who die on or after 9 October 2007

### Reliefs

Annual exemption	£3,000	Marriage	- parent	5,000
Small gifts	£250		- grandparent	2,500
			- bride/groom	2,500
			- other	1,000

### Reduced charge on gifts within 7 years of death

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

## CORPORATION TAX

Year to 31.3.17		Year to 31.3.16	
Profits band £	Rate %	Profits band £	Rate %
All profits	20	All Profits	20

Different rates apply for ring-fenced (broadly oil based industry) profit

## STAMP DUTY AND STAMP DUTY LAND TAX

### Land and buildings in England, Wales and N. Ireland

Rate*	Residential*	Non-residential**	Rate
%	£	£	%
0	0 – 125,000	0 – 150,000	0
2	125,001 – 250,000	150,001 – 250,000	2
5	250,001 – 925,000	Over 500,000	5
10	925,001 – 1,500,000		
12	1,500,001 and over		

\*Payable on consideration which falls in each bracket

\*\*Payable on consideration which falls in each bracket from 17 March 2016

\*Rates may be increased by 3% where further residential properties costing £40,000 or over are acquired on or after 1 April 2016

SDLT is charged at 15% on interests in residential dwellings costing more than £500,000 purchased by certain non-natural persons.

**Shares and securities** – rate 0.5%

## LAND AND BUILDINGS TRANSACTION TAX

### Land and buildings in Scotland

Rate*	Residential	Non-residential	Rate
%	£	£	%
0	0 – 145,000	0 – 150,000	0
2	145,001 – 250,000	150,001 – 350,000	3
5	250,001 – 325,000	Over 350,000	4.5
10	325,001 – 750,000		
12	Over £750,000		

The rates apply to the portion of the total value which falls within each band in respect of transactions with an effective date on or after 1 April 2015

\*Rates may be increased by 3% where further residential properties costing £40,000 or over are acquired on or after 1 April 2016

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