

## Capital Gains Tax

On chargeable gains  
**Entrepreneurs' relief** - This will reduce the chargeable gain on qualifying assets by 4/9 – an effective rate of 10%. An individual will be able to make claims for disposals on or after 6 April 2008. Claims may be made on more than one occasion, up to a "lifetime" total of £1 million of gains • Annual exempt amount - individuals £10,100 & most trustees £5,050 • Transfers between spouses and civil partners are generally not chargeable.

2009-10 2008-09

18% 18%

## Inheritance Tax

Standard threshold £325,000 £312,000  
Combined threshold maximum £650,000 £624,000

for married couples and civil partners

Rate of tax on balance:

Chargeable lifetime transfers	20%	20%
Transfers on, or within 7 years of, death	40%	40%

All lifetime transfers not covered by exemptions and made within 7 years of death will be added back into the estate for the purpose of calculating the tax payable. Tax attributable to such transfers is then reduced:

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

**Main Exemptions:** Most transfers between spouses and civil partners • The first £3,000 of lifetime transfers in any tax year plus any unused balance from the previous year • Gifts of up to but not exceeding £250 p.a. to any number of persons • Gifts made out of income that form part of normal expenditure and do not reduce the standard of living • Gifts in consideration of marriage/civil partnership of up to £5,000 by a parent, £2,500 by a grandparent, or £1,000 by any other person • Gifts to charities, whether made during lifetime or on death.

## Stamp Taxes

Stamp duty is generally payable at a rate of 0.5% on transfers of shares and securities. On the transfer of property, the stamp duty land tax is:

Value up to £125,000*	nil
Over £125,000* – £250,000	1%
Over £250,000 – £500,000	3%
Over £500,000	4%

\*£150,000 for non-residential property, and residential property in disadvantaged areas.

The threshold is £175,000 for residential property (including disadvantaged areas) for transactions with an effective date on/after 3 September 2008 and before 1 January 2010. Special rules apply for new zero-carbon homes.

## Selected Rates

**Basic Retirement Pension** – Single person £95.25  
– Couple £152.30

**Pension Credit**  
Standard Minimum Guarantee – Single person £130.00  
– Couple £198.45

**Child Benefit**  
– First eligible child £20.00  
– Each subsequent child £13.20

**Statutory Pay** qualification - average weekly earnings (AWE) £95 or over.

**Sick (SSP)** The standard rate is £79.15 per week for up to 28 weeks. **Maternity (SMP), Adoption (SAP) and Paternity (SPP)** paid at the lower of £123.06 or 90% of AWE apart from first 6 weeks of SMP which is paid at 90% of AWE.

**SMP** and **SAP** are payable for up to 39 weeks. **SPP** is payable for up to 2 weeks.

**Jobseeker's Allowance** – Single person £64.30  
– Couple £100.95

**National Minimum Wage:** Age Over 21 18-21 16 and 17  
From 1 October 2008 £5.73 p.h. £4.77 p.h. £3.53 p.h.

## Key Dates & Deadlines

### Payment Dates

Income Tax and Class 4 NICs	2009-10	2008-09
1st payment on account	31 January	2010
2nd payment on account	31 July	2010
Balancing payment	31 January	2011
<b>Capital Gains Tax</b>	31 January	2011
<b>Class 1A NICs</b>	19 July	2010
<b>Corporation Tax</b>	9 months and one day after the end of accounting period (or by quarterly instalments if large company)	

**2008-09 Returns Filing Deadlines:** 19 May 2009 - P14, P35, P38 and P38A •

31 May 2009 - Issue P60s to employees • 6 July 2009 - P9D, P11D and P11D(b) and appropriate copies to employees • 31 October 2009 - Self Assessment Tax Return (SATR) - paper version. Also, tax returns where outstanding tax (less than £2,000) to be included in 2010-11 PAYE code • 31 January 2010 - SATR Online

Budget Day edition. Rates subject to change – contact us for latest. For general guidance only, no responsibility is taken for action taken or refrained from in consequence of card contents.



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## 2009/10 Tax Rates

## Income Tax

	2009-10	2008-09
Starting rate band	*£2,440	*£2,320
Tax rate	*10%	*10%
Basic rate band	£37,400	£34,800
Basic rate	20%	20%
Savings rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate – income over	£37,400	£34,800
Higher rate	40%	40%
Dividend upper rate	32.5%	32.5%

\*10% starting rate available only for savings income up to £2,440 (£2,320) to the extent that taxable non-savings income does not exceed £2,440 (£2,320).

### Allowances that Reduce Taxable Income

Personal allowances (PA)		
– under 65	£6,475	£6,035
– 65 to 74	£9,490	£9,030
– 75 and over	£9,640	£9,180

### Allowances that Reduce Tax

Married couple's allowance (MCA)		
Tax reduction		
– 74	n/a	£653.50
– 75 and over	£696.50	£662.50

Ages are as at the end of the tax year

The age-related allowances are progressively withdrawn if income exceeds

Minimum PA	£22,900	£21,800
Minimum MCA tax reduction	£6,475	£6,035
	£267	£254

### Tax Shelters

Enterprise Investment Scheme up to	£500,000	£500,000
Venture Capital Trust up to	£200,000	£200,000
'Rent a Room' exempt on gross annual rent	£4,250	£4,250
Construction Industry Scheme deduction rate	20/30%	20/30%

## Pensions and ISAs

**Pensions:** There is no financial limit on the amount that may be contributed to a registered pension scheme. The maximum amount on which an **individual** can claim tax relief in any tax year is the greater of the individual's UK relevant earnings or £3,600. If **total pension input** exceeds the **annual allowance** of £245,000 there is a tax charge at 40% on the excess. This limit does not apply in the year that full pension benefits are taken.

Maximum age for tax relief is 74 and minimum age for taking benefits is 50.

Lifetime allowance charge – lump sum paid 55% and monies retained 25% on cumulative benefits exceeding £1,750,000. Maximum tax-free lump sum 25% (subject to transitional protection for excess amount).

**ISAs:** Overall investment limit is £7,200 (£10,200\*) including cash maximum of £3,600 (£5,100\*). \*From 6 October 2009 for those aged 50 and over.

## Vehicles

### Petrol and Diesel Company Car Benefits

The taxable benefit is calculated as a percentage of the car's UK list price. The calculation begins with the car's CO<sub>2</sub> emissions in grams per kilometre. Then deduct 135 and divide this result by 5. Round down (4.9 = 4) and then add 15 (petrol) or 18 (diesel). The result is the taxable percentage. Minimum rate\* on petrol is 15% and diesel is 18%. Maximum rate on petrol is 35% and diesel is 35%.

\*Special rules apply to some environmentally-friendly cars.

Chargeable on employees earning £8,500 or over (including benefits) and directors ♣ The list price relates to the day before first registration and includes accessories. The price is subject to an upper limit of £80,000 ♣ The list price is reduced by the employee's capital contribution, subject to a maximum deduction of £5,000 ♣ Special rules apply to cars at least 15 years old with a market value of £15,000 or more ♣ **Van**, no benefit if restricted private use condition met; otherwise van benefit £3,000, fuel £500 ♣ Payments by employees for private use may reduce the above benefits.

### HM Revenue & Customs (HMRC) Mileage Rates

**Employees using their own car for business:** approved rates are 40p per mile for the first 10,000 miles and 25p thereafter. Income tax and NICs may be due on higher rates and tax relief may be due on lower rates. **Company cars:** from time to time HMRC publish advisory fuel rates which apply where employees are reimbursed for business travel or are required to repay the cost of fuel for private travel.

**Company Car Fuel Benefit:** Where the cost of **all** fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the taxable benefit is calculated as the car benefit percentage (see above) of **£16,900**. VAT is payable by the business by reference to the CO<sub>2</sub> emissions (rounded down to next multiple of 5) as follows:

### VAT fuel scale charges for 3 month return periods beginning on/after 1 May 09

CO <sub>2</sub> in g/km	Scale charge £	CO <sub>2</sub> in g/km	Scale charge £	CO <sub>2</sub> in g/km	Scale charge £
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160	251	195	339	230	428
				235 or over	441

## Corporation Tax

Financial Year to		31 March 2010	31 March 2009
Taxable Profits	First	£300,000	21%
	Next	£1,200,000	29.75%
	Over	£1,500,000	28%
			21%
			29.75%
			28%

## Value Added Tax

From	1 Dec 2008	1 Jan 2010
Standard Rate	15%	17.5%
VAT Fraction	3/23	7/47
Reduced Rate	5%	5%

### Current Turnover Limits

Registration – last 12 mths/next 30 days over	£68,000 (from 1 May 2009)
Deregistration – next year under	£66,000 (from 1 May 2009)
Annual Accounting Scheme	£1,350,000
Cash Accounting Scheme	£1,350,000
Flat Rate Scheme	£150,000

## Capital Allowances

**Plant and Machinery:** Energy saving and environmentally beneficial equipment, electric and low CO<sub>2</sub> emission (up to 110g/km) cars, natural gas/ hydrogen refuelling equipment first year allowance (FYA) **100%** • Annual Investment Allowance (AIA) – on first £50,000 of investment **100%**\* (excludes cars and expenditure already qualifying for 100% FYA) • Temporary FYA on certain qualifying expenditure exceeding AIA incurred in the 12 months from 6 April 2009 (1 April 2009 for companies) **40%**\* • Writing Down Allowance on expenditure not qualifying for AIA or FYA: Long-life assets, integral features of buildings, cars over 160g/km **10%**\* • Other plant and machinery **20%**\* • Industrial and agricultural buildings and hotels (on building cost) **2%**\* • Enterprise Zone Allowance, conversion of parts of business premises into flats, business premises renovation max initial allowance **100%** • \*Transitional rules may apply.

## National Insurance Contributions

Class 1 (not contracted out)	Employer	Employee
Lower earnings limit		£95
Payable on weekly earnings of £110.01 – £844	12.8%	11%
Over £844	12.8%	1%
Over state retirement age	12.8%	Nil
<b>Class 1A</b> On relevant benefits	12.8%	Nil
<b>Class 2</b> Self employed		£2.40 per week
Limit of net earnings for exception		£5,075 per annum
<b>Class 3</b> Voluntary		£12.05 per week
<b>Class 4*</b> Self employed on profits £5,715 – £43,875		8%
Excess over £43,875		1%

\*Exemption applies if state retirement age was reached by 6 April 2009.

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Construction Industry Scheme deduction rate	20/30%	20/30%

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– Couple      £100.95

**National Minimum Wage:** Age      Over 21      18-21      16 and 17  
From 1 October 2008      £5.73 p.h.      £4.77 p.h.      £3.53 p.h.

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<b>Capital Gains Tax</b>	31 January	2011
<b>Class 1A NICs</b>	19 July	2010
<b>Corporation Tax</b>	9 months and one day after the end of accounting period (or by quarterly instalments if large company)	

**2008-09 Returns Filing Deadlines:** 19 May 2009 - P14, P35, P38 and P38A •

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## 2009/10 Tax Rates

## Capital Gains Tax

On chargeable gains  
**Entrepreneurs' relief** - This will reduce the chargeable gain on qualifying assets by 4/9 – an effective rate of 10%. An individual will be able to make claims for disposals on or after 6 April 2008. Claims may be made on more than one occasion, up to a "lifetime" total of £1 million of gains • Annual exempt amount - individuals £10,100 & most trustees £5,050 • Transfers between spouses and civil partners are generally not chargeable.

2009-10 2008-09

18% 18%

## Inheritance Tax

Standard threshold £325,000 £312,000  
Combined threshold maximum £650,000 £624,000

for married couples and civil partners

Rate of tax on balance:

Chargeable lifetime transfers	20%	20%
Transfers on, or within 7 years of, death	40%	40%

All lifetime transfers not covered by exemptions and made within 7 years of death will be added back into the estate for the purpose of calculating the tax payable. Tax attributable to such transfers is then reduced:

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

**Main Exemptions:** Most transfers between spouses and civil partners • The first £3,000 of lifetime transfers in any tax year plus any unused balance from the previous year • Gifts of up to but not exceeding £250 p.a. to any number of persons • Gifts made out of income that form part of normal expenditure and do not reduce the standard of living • Gifts in consideration of marriage/civil partnership of up to £5,000 by a parent, £2,500 by a grandparent, or £1,000 by any other person • Gifts to charities, whether made during lifetime or on death.

## Stamp Taxes

Stamp duty is generally payable at a rate of 0.5% on transfers of shares and securities. On the transfer of property, the stamp duty land tax is:

Value up to £125,000*	nil
Over £125,000* – £250,000	1%
Over £250,000 – £500,000	3%
Over £500,000	4%

\*£150,000 for non-residential property, and residential property in disadvantaged areas.

The threshold is £175,000 for residential property (including disadvantaged areas) for transactions with an effective date on/after 3 September 2008 and before 1 January 2010. Special rules apply for new zero-carbon homes.

## Selected Rates

**Basic Retirement Pension** – Single person £95.25  
– Couple £152.30

**Pension Credit**  
Standard Minimum Guarantee – Single person £130.00  
– Couple £198.45

**Child Benefit**  
– First eligible child £20.00  
– Each subsequent child £13.20

**Statutory Pay** qualification - average weekly earnings (AWE) £95 or over.

**Sick (SSP)** The standard rate is £79.15 per week for up to 28 weeks. **Maternity (SMP), Adoption (SAP) and Paternity (SPP)** paid at the lower of £123.06 or 90% of AWE apart from first 6 weeks of SMP which is paid at 90% of AWE.

**SMP** and **SAP** are payable for up to 39 weeks. **SPP** is payable for up to 2 weeks.

**Jobseeker's Allowance** – Single person £64.30  
– Couple £100.95

**National Minimum Wage:** Age Over 21 18-21 16 and 17  
From 1 October 2008 £5.73 p.h. £4.77 p.h. £3.53 p.h.

## Key Dates & Deadlines

### Payment Dates

Income Tax and Class 4 NICs	2009-10	2008-09
1st payment on account	31 January	2010
2nd payment on account	31 July	2010
Balancing payment	31 January	2011
<b>Capital Gains Tax</b>	31 January	2011
<b>Class 1A NICs</b>	19 July	2010
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