

Income tax rates (individuals)

Year	Taxable income £	Rate %	Cumulative tax £
2011/12	0—35,000	20	7,000
	35,001—150,000	40	53,000
	Over 150,000	50	
2010/11	0—37,400	20	7,480
	37,401—150,000	40	52,520
	Over 150,000	50	
2009/10	0—37,400	20	7,480
	Over 37,400	40	

Savings income

2011/12	0—2,560	10*	256
2010/11	0—2,440	10*	244
2009/10	0—2,440	10*	244

* Where income from non-savings income exceeds the band, the 10% does not apply. If savings income in excess of £2,560 is received, the income in the starting band is taxable at 10% and the balance up to £35,000 is taxable at 20%. Savings income £35,000—£150,000 is taxed at 40% and over £150,000 is taxed at 50%.

Dividends

2011/12	0—35,000	10
	Over 35,000	32.5
	Over 150,000	42.5
2010/11	0—37,400	10
	Over 35,000	32.5
	Over 150,000	42.5
2009/10	0—37,400	10
	Over 37,400	32.5

These rates apply to net dividend grossed up by tax credit of 1/9.

Income tax allowances

	2011/12 £	2010/11 £	2009/10 £
Personal under 65	7,475	6,475	6,475
Personal age 65—74	9,940	9,490	9,490
Personal age 75 & over	10,090	9,640	9,640
No extra personal allowance if income exceeds:			
Age 65—74	28,930	28,930	27,790
Age 75 & over	29,230	29,230	28,090
Blind person's "Rent a room" limit	1,890 4,250	1,890 4,250	1,800 4,250
Married couple's (relief at 10% of allowance):			
Age 75 & over	7,295	6,965	6,965
Minimum allowance	2,800	2,670	2,670
Maximum income before abatement of reliefs for taxpayers aged 65 and over:	24,000	22,900	22,900

Notes:

- Age-related element of personal allowances and married couple allowance are reduced by £1 for every £2 of income over £24,000 (2010/11: £22,900) until the minimum of £7,475 (2010/11: £6,475) is reached.
- From 2010/11, the minimum personal allowance of £7,475 (2010/11: £6,475) is reduced by £1 for each £2 of income over £100,000, irrespective of age.

Individual Savings Accounts (ISA)

	Stocks & shares £	Cash £	Overall limit* £
2011/12			
Age 50 or over	10,680	5,340	10,680
Age under 50	10,680	5,340	10,680
2010/11			
Age 50 or over	10,200	5,100	10,200
Age under 50	10,200	5,100	10,200
2009/10			
Age 50 or over	10,200	5,100	10,200
Age under 50	10,200	3,600	10,200

* Maximum cash allowed is up to cash ISA limits.

Tax credits

	2011/12 £	2010/11 £	2009/10 £
Child tax credit			
Family element (normal case)	545	545	545
Family element (payable in 12 months after birth of child)	nil	545	545
Child element (each child)	2,555	2,300	2,235
Disabled child element (each child)	2,800	2,715	2,670
Severely disabled child element (each child)	1,130	1,095	1,075
Working tax credit			
Basic element	1,920	1,920	1,890
Couples and lone parents element	1,950	1,890	1,860
30-hour element	790	790	775
Disability element	2,650	2,570	2,530
Severe disability element	1,130	1,095	1,075
50-plus return to work payment (16-29 hours)	1,365	1,320	1,300
50-plus return to work payment (30 or more hours)	2,030	1,965	1,935
<i>Childcare element:</i>			
Maximum cost for 1 child (per week)	175	175	175
Maximum cost 2 or more children (per week)300	300	300	300
Percentage of eligible costs covered	70%	80%	80%

Income thresholds:

	2011/12 £	2010/11 £	2009/10 £
Working tax credit			
First income threshold	6,420	6,420	6,420
First withdrawal rate	41%	39%	39%
Child tax credit			
Second income threshold (family element)	40,000	50,000	50,000
Second withdrawal rate (child element)	41%	6.67%	6.67%
First threshold (child element)	15,860*	16,190	16,040
* CTC is payable in full if no working tax credit is payable.			
Income disregard	10,000	25,000	25,000

Registered Pension Schemes

The maximum aggregate contribution on which tax relief is due is the higher of £3,600 per tax year and 100% of earnings as restricted by the annual allowance.

Annual allowance	£
2011/12	50,000
2010/11	255,000
2009/10	245,000

The aggregate value of registered pension funds from which tax privileged benefits are payable on retirement or on death is limited by the lifetime allowance. If this allowance is exceeded, a tax charge will be levied.

Lifetime allowance	£
2011/12	1,800,000
2010/11	1,800,000
2009/10	1,750,000

Corporation Tax

Profits £	Financial year to		
	31/3/12	31/3/11	31/3/10
0—300,000 (small profits)	20%	21%	20%
1,500,001 and over (main)	26%	28%	28%
Marginal relief lower limit	300,000	300,000	300,000
Marginal relief upper limit	1,500,000	1,500,000	1,500,000
Marginal relief fraction	3/200	7/400	7/400

National Insurance Contributions

Class 1 (employment not contracted out)	2011/12 £	2010/11 £	2009/10 £
<i>Earnings thresholds (weekly)</i>			
Lower earnings limit (LEL)	102	97	95
Primary earnings (PET)	139	110	110
Secondary earnings (SET)	136	110	110
Upper earnings limit (UEL)	817	844	844

Rates

Employees	2011/12	2010/11	2009/10
Earnings between PET and UEL	12%	11%	11%
Earnings above UEL	2%	1%	1%

Employers

On all earnings above SET	13.8%	12.8%	12.8%
Class 1A and 1B	13.8%	12.8%	12.8%

Class 2 (self-employment)

	£	£	£
Standard rate per week	2.50	2.40	2.40
Small earnings exception per annum	5,315	5,075	5,075

Class 3 (voluntary contributions)

Standard rate per week	12.60	12.05	12.05
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Class 4 (self-employment)

Lower profits limit (per year)	7,225	5,715	5,715
Upper profits limit (per year)	42,475	43,875	43,875
Rate between limits	9%	8%	8%
Rate above upper limit	2%	1%	1%

Capital Gains tax

Rates:	2011/12	2010/11	2009/10
Basic rate taxpayer/ trusts	18%	18%	18%
Higher rate taxpayer (from 23/6/10)/ trusts	28%	18%*	18%
Entrepreneurs relief rate	10%	10%	10%
Trustees & personal representatives	28%	28%*	18%

Annual exemption:	£	£	£
Individuals & trusts for disabled persons*	10,600	10,100	10,100
Other trusts	5,300	5,050	5,050
Trustees	5,300	5,050	5,050
Entrepreneurs relief lifetime limit	10,000,000	2,000,000**	1,000,000
Entrepreneurs relief fraction (to 22/6/10) n/a		4/9	4/9

Capital Gains tax (cont'd)

* 18% on gains pre 23/6/10.

**Exempt amount also applies to personal representatives for year of death and next two years.

** From 23/6/10 entrepreneurs relief lifetime limit is £5 million.

Inheritance Tax

Year of transfer	Nil rate band (on death)	rate on excess	rate on chargeable lifetime transfers
	£	%	%
2011/12	1—325,000	40	20
2010/11	1—325,000*	40	20
2009/10	1—325,000	40	20

* unused nil-rate band is transferrable to spouse after 8/10/2007.

Reduced tax charge on gifts within 7 years prior to death

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

Reliefs & Exemptions	2011/12	2010/11	2009/10
	£	£	£
Annual exemption (per donor)		3,000	3,000
Small gift (per donee)		250	250
Marriage (parent)		5,000	5,000
Marriage (grandparent)		2,500	2,500
Marriage (bride/groom)		2,500	2,500
Marriage (any other donor)		1,000	1,000

Value Added Tax

	Standard rate	Reduced rate
From 4 January 2011	20%	5%
1 January 2010—3 January 2011	17.5%	5%
1 December 2008—31 December 2009	15%	5%
To 30 November 2008	17.5%	5%

Registration thresholds	£
1 April 2011—	73,000
1 January 2010—3 January 2011	70,000
1 May 2009—31 December 2009	68,000
1 April 2008—30 April 2009	67,000
1 April 2007—31 March 2008	64,000

Deregistration thresholds	£
1 April 2011—	71,000
1 January 2010—3 January 2011	68,000
1 May 2009—31 December 2009	66,000
1 April 2008—30 April 2009	65,000
1 April 2007—31 March 2008	62,000

Annual Accounting Scheme threshold	1,350,000
Cash Accounting Scheme threshold	1,350,000
Flat rate scheme turnover limit	150,000

VAT car fuel scale charges from 1 May 2011

CO2 emissions	Quarterly returns	VAT on quarterly charge
	£	£
120 or less	157	26.17
125	236	39.33
130	252	42.00
135	268	44.67
140	283	47.17
145	299	49.83
150	315	52.50
155	331	55.17
160	346	57.67

165	362	60.33
170	378	63.00
175	394	65.67
180	409	68.17
185	425	70.83
190	441	73.50
195	457	76.17
200	472	78.67
205	488	81.33
210	504	84.00
215	520	86.67
220	536	89.33
225 or more	551	91.83

Tax Free Mileage Allowances

Employer's own vehicle

Motor cars and vans	Rate per business mile
Up to 10,000 business miles in tax year	40p
Over 10,000 business miles in tax year	25p
Motorcycles	24p
Bicycles	20p
Each passenger making same trip in tax year	5p

Advisory fuel rates for company cars

From 1 December 2010

Engine size (cc)	Petrol	Diesel	LPG
1400 or less	13p	12p	9p
1401—2000	15p	12p	10p
Over 2000	21p	15p	15p

From 1 June 2010

Engine size (cc)	Petrol	Diesel	LPG
1400 or less	12p	11p	8p
1401—2000	15p	11p	10p
Over 2000	21p	16p	14p

From 1 December 2009

Engine size (cc)	Petrol	Diesel	LPG
1400 or less	11p	11p	7p
1401—2000	14p	11p	8p
Over 2000	20p	14p	12p

Car Benefit

CO2 emissions	% of list price
Grams per km	Petrol
1—75	5%
76—120	10%
121—129	15%
130—134	16%
130g/km or over	add 1% for every 5g/km
Maximum 225g/km and over (210g/km for diesel)	35%

Electric only: no taxable benefit for 5 years from April 2010.

For cars registered from 1 January 1998 with no CO2 emission figures:

Engine capacity (cc)	% of list price
1400 or less	15
1400—2000	25
2000 or more	35

For cars registered before 1 January 1998 with no CO2 emission figures:

Engine capacity (cc)	% of list price
1400 or less	15
1400—2000	22
2000 or more	32

Car Fuel Benefit

	2011/12	2010/11
	£	£
Multiply the CO2 % used for the car benefit by	18,800	18,000
Minimum charge at 5%	940	900
Maximum charge at 35%	6,580	6,300

Van Benefit

	2011/12	2010/11	2009/10
	£	£	£
Van scale charge*	3,000	3,000	3,000
Fuel scale charge	550	550	500

*Electric vans no taxable benefit from April 2010.

** No benefit if private use is limited to journeys between home and work.

Capital Allowances

Writing down allowances (WDA) from 1/6 April 2008

Main pool of plant & machinery* 20%**

*Includes expenditure on cars on or after 1/6 April 2009 and CO2 emissions more than 110g/km and up to 160g/km/ includes expenditure on cars on or after 1/6 April 2009 costing £12,000 or less.

** Capital allowances rate to be reduced to 18% from April 2012.

Special rate of plant & machinery:*

Cars (expenditure on/after 1/6 April 2009 and CO2 emissions > 160g/km) 10%
Integral features in a building and thermal insulation 10%
Long-life assets 10%

* Capital allowances rate to be reduced to 8% from April 2012.

Plant held separately (single assets pools):

Short life assets 20%
Cars costing over £12,000 purchased before 1/6 April 2009 20%
Assets with private use (only applies to traders subject to income tax) 20%

Sundry capital allowances:

Patents (allowances given on reducing balance basis) 25%
Know-how (allowances given on reducing balance basis) 25%
Dredging (allowances given on straight line basis) 4%
Mineral extraction* 25%

*Writing-down allowance 25% (general expenditure) and 10% (acquisition of mineral assets) on reducing balance basis.

Buildings:*

	2011/12	2010/11	2009/10
Industrial buildings & qualifying hotels	n/a	1%	2%
Agricultural buildings	n/a	1%	2%

* Allowances are given on building cost on straight line basis.

Initial allowances

Annual investment allowance (max £100k) on plant* 100%
Research and development 100%
Commercial/industrial buildings in enterprise zone** 100%
Business premises renovation** 100%
Flat conversions ** 100%
Energy-saving & water saving plant and machinery 100%
Electric cars & cars with low CO2 emissions (up to 110 g/km) 100%

*Available to long-life assets, integral features but not to cars. £50,000 for expenditure from 1/6 April 2008 to 1/5 April 2010. To be reduced to £25,000 from April 2012.

** Writing-down allowance 25% on straight line basis for unrelieved expenditure if 100% initial allowance not fully or partly claimed.

Stamp Taxes

Stamp Duty (including Stamp Duty Reserve Tax)

Shares & marketable securities 0.5*

* Rounded up to the nearest multiple of £5. Transfers of value £1,000 or less are exempt.

Stamp Duty Land Tax

(On all land & buildings transactions based on chargeable consideration).

Purchase & premiums on assignment of existing leases or on grant of new leases of land and buildings.

From 1 January 2010

Residential		Non-residential or mixed	
Cost	Rate*	Cost	Rate*
£125,000 or less**	0%	£150,000 or less***	0%
		£150,000 or less****	1%
£125,001—£250,000	1%	£150,001—£250,000	1%
£250,001—£500,000	3%	£250,001—£500,000	3%
£500,001—£1,000,000	4%	over £500,000	4%
Over £1,000,000*****	5%		

* When chargeable consideration exceeds a rate threshold, the higher rate applies to the whole consideration.

** £150,000 for properties in disadvantaged areas.

*** Also applies to grant of leases if annual rent less than £1,000.

**** Also applies to grant of leases annual rent more than £1,000.

***** From 6 April 2011.

Notes:

1. First-time buyers will continue to benefit from the 0% rate for the period 25/3/10 to 24/3/12 for residential properties where relevant consideration is £125,001—£250,000.
2. The annual rent is the highest annual rent known to be payable in any year of the lease.

Grant of new leases (on net present value of rents over lease term)

From 1 January 2010

Residential	Non-residential or mixed	Rate
£125,000 or less	£150,000 or less	0%
Over £125,000*	Over £150,000	1%*

* 1% of the value that exceeds £125,000 (residential) and 1% of the value that exceeds £150,000 (non-residential)

Venture Capital Schemes

	Investment limit for relief £	Income tax relief rate**
Venture Capital Trusts* - maximum investment	200,000	30%
Enterprise Investment Scheme —maximum investment	500,000	30%
		Investment limit for relief £
Enterprise Management Incentive Scheme —employee limit		120,000

* Dividends paid by the VCT may be exempt from tax.

** Income tax relief given as tax reducer.

2011/12 Tax tables

CONSTANTINE SAVVA

Chartered Certified Accountants

& Registered Auditors

155A West Green Road

London N15 5EA

t: 020 88094468

f: 020 80825948

e: constantinesavva@taxadviceuk.com

w: www.taxadviceuk.com

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