



A INCOME TAX RATES

Individuals	2008/09	2009/10
Basic Rate on (£34,800) £37,400	20%	20%
Cumulative tax thereon	£6,960	£7,480
Higher Rate over (£34,800) £37,400	40%	40%
On Savings Income, excluding dividends		
Taxable income up to lower rate limit (£2,320) £2,440max*	10%	10%
Taxable income between lower and basic rate limit	20%	20%
Taxable income above basic rate limit	40%	40%
*the 10% band will not apply to non savings income		
On Dividend Income		
Taxable income up to basic rate limit	10%	10%
Taxable income above basic rate limit	32.5%	32.5%
Trust		
Interest in Possession	10/20/40%	10/20/40%
Discretionary:		
Income used for expenses & next £1,000	10/20%	10/20%
Dividend Rate	32.5%	32.5%
Other Rate	40%	40%
NB From 6/4/10 there will be a 50% tax rate on income over £150,000 and a gradual loss of personal allowances on income over £100,000		

B INCOME TAX ALLOWANCES

Effective at all rates of income tax	£	£
Personal Allowance	6,035	6,475
Age Allowance (65 - 74)	9,030	9,490
Age Allowance (75 & over)	9,180	9,640
Blind Person's Allowance	1,800	1,890
Effective at only 10%		
Age Allowance (Married, elder born before 6/4/35)	6,535	6,965
Age Allowance (Married, elder 75 & over)	6,625	6,965
Minimum Allowance (Married, elder born before 6/4/35)	2,540	2,670
All Age Allowances are reduced by £1 for every £2 of income over (£21,800) £22,900		

C INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

	£	£
Overall Maximum Investment	7,200	7,200
Cash	3,600	3,600
From 6/10/09 for those over 50 the overall limit will increase to £10,200 and £5,100 cash. These limits apply to all from 06/04/10		

D SCALE BENEFITS FOR VEHICLES

Company Cars: Employees provided with a company car available for private use are taxable according to a scale based on CO₂ emissions. The basic car benefits charge will be the car's list price multiplied by the percentage charge for the CO₂ emissions band in which the car falls, subject to the addition of any diesel supplement or a discount for cars using alternative fuels and technologies.

For the tax years 2008/09 to 2010/11

CO ₂ emissions in gms/km	% of car's list price	CO ₂ emissions in gms/km	% of car's list price	CO ₂ emissions in gms/km	% of car's list price
135	15 ¹	170	22 ¹	205	29 ¹
140	16 ¹	175	23 ¹	210	30 ¹
145	17 ¹	180	24 ¹	215	31 ¹
150	18 ¹	185	25 ¹	220	32 ¹
155	19 ¹	190	26 ¹	225	33 ¹
160	20 ¹	195	27 ¹	230	34 ¹
165	21 ¹	200	28 ¹	235	35 ¹

Supplement if car runs solely on diesel ¹Add 3%. ²Add 2%. ³Add 1%.
*Maximum charge, therefore no diesel supplement.

Reduction if car runs on E85 fuel: For 2008-09 until 5 April 2011 there will be a reduction of 2% for cars manufactured to run on E85 fuel.

The benefit will be reduced for employee contributions up to £5,000 and/or where the car is unavailable for part of the year.

Cars with a CO₂ emission up to and including 120gms/km will be taxed on 10% of the list price from 2008/09.

Fuel Benefit: The annual charge is linked to the car's CO₂ emissions using the same percentage figures as the company car benefit charge and multiplying them by **£16,900**.

Fuel Benefit: VAT Scales (Accounting Periods beginning on or after 1 May 2009)

The VAT on private use is charged like Company Cars on the level of CO₂ emissions, ranging from a quarterly charge of £126 (VAT inclusive) on a car with a CO₂ emission of 120gms/km or below to £441 (VAT inclusive) for a car with emissions of 235gms/km or above.

Scale charge tables are available for 1 month, 3 monthly and 12 monthly periods.

National Insurance Contributions: Employers' NICs (Class 1A) are chargeable on both company cars and fuel by reference to the above Income Tax scales. They are assessed annually together with other taxable benefits in kind and collected in arrears (**12.8% for 2008/09**).

Company Vans: There is no charge where an employee merely takes a company van home with only insignificant private use. If there is unrestricted private use then vans up to 3.5 tonnes are taxed at a scale rate of £3000 from 6 April 2007 plus a fuel charge if applicable, irrespective of the age of the van.

E MILEAGE PAYMENTS

Business Mileage	per mile
Motor Cars and Vans	
Up to 10,000 miles	40p
Excess over 10,000 miles	25p
Motorcycles	24p
Cycles	20p

The rates are tax free allowances, which may be used to reimburse employees who use their own vehicle for business purposes.

Employers can use the following fuel only rates to reimburse employees for business travel in their company cars or require staff to repay the cost of fuel used for private travel, on or after 1 January 2009.

Engine size	Petrol Fuel Cost (per mile)	Diesel Fuel Cost (per mile)	LPG Fuel Cost (per mile)
1400cc or less	10p	11p	7p
1401cc – 2000cc	12p	11p	9p
Over 2000cc	17p	14p	12p

F PENSIONS

The new pension simplification legislation came into force on the 6 April 2006, 'A day'.

Key Points

All individuals up to the age of 75 can invest up to £3,600 regardless of income.

The maximum that can be invested is the lower of 100% of net relevant earnings and the annual allowance of **£245,000 for 2009/10** (£235,000 for 2008/09), rising by £10,000 a year until 2010/11.

Employers may be able to contribute more than employees into a scheme.

All pension contributions paid by taxpayers are paid net of basic rate tax.

For people with taxable income over £150,000 there will be a withdrawal of higher rate relief from 06/04/11. This is subject to transitional rules with effect from budget day.

Lifetime allowance is £1.75m (£1.65m for 2008/09) rising to £1.8m by 2010/11.

G DOMICILE

From 6 April 2008 non UK domiciled adult residents with relevant income or gains over a de minimis limit of £2,000 pay an annual tax charge of £30,000 if they wish to retain the benefit of the remittance basis. Nor do remittance basis users receive the tax free personal allowances or the annual exemption for capital gains. The tax charge applies to those who have been resident for more than 7 of the past 10 years, and is in addition to any tax on income or gains remitted.



H CAPITAL GAINS TAX

Rates	2008/09	2009/10
Individuals, trusts and personal representatives*	18%	18%

Annual Exemptions	£	£
Individuals & certain trusts	9,600	10,100
Trusts generally	4,800	5,050
Personal representatives for year of death & next two years	9,600	10,100

*subject to any claim for Entrepreneurs Relief, which could reduce the liability to an effective rate of 10% on gains up to a lifetime limit of £1million.

I CORPORATION TAX

YEAR TO 31 MARCH	2009	2010
Taxable Profits		
Small Companies Rate:		
	21%	21%
£0 - £300,000 Marginal Rate		
	29.75%	29.75%
£300,001 - £1,500,000 Main Rate		
Over £1,500,000	28%	28%

Closely controlled investment-holding companies are always taxed at the Main Rate.

YEAR TO 5 APRIL	2009	2010
Rate of tax credit on dividends	1/9	1/9

J ENCOURAGING BUSINESS INVESTMENT

Investments qualifying under the Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) rules will attract the benefits detailed below, if certain criteria are satisfied.

Limits for 2008/09 & 2009/10	EIS	VCT
Income Tax Credit (ITC)	20%	30%
Limit for ITC	£500,000	£200,000
Capital Gains Tax Deferral	Yes	No
Capital Gains Tax Exemption on Disposal	Yes	Yes

K INHERITANCE TAX

Rates
From the 6 April 2009 the first £325,000 of cumulative chargeable transfers are taxed at NIL rate. Those in excess are taxed at 40% on death, 20% for lifetime transfers. Potentially exempt transfers within 7 years before death are taxed at death rate with tapering relief as follows:

Years between gift & death	Percentage of death rate
Up to 3	100%
3 – 4	80%
4 – 5	60%
5 – 6	40%
6 – 7	20%
Over 7	NIL

Exemptions		£
Annual exemption	Per donor	3,000
Small gifts	Per donee	250
Gifts in consideration of marriage by:	Parent	5,000
	Grandparent/	
	Remoter ancestor	2,500
	Party to the marriage	2,500
	Other person	1,000

A claim can be made to transfer any unused proportion of the IHT nil-rate band on a person's death to the estate of their surviving spouse or civil partner who dies on or after 9 October 2007.

L VALUE ADDED TAX

Standard rate until 31/12/09	Rate	Fraction
Standard rate from 01/01/10	15%	3/23
	17.5%	7/47
Effective from	1 April 2008	1 May 2009
Registration Limits - Annual		
Future/past turnover	£67,000	£68,000
Deregistration Limit - Annual		
Future turnover	£65,000	£66,000
Cash Accounting Threshold		
Future turnover	£1,350,000	£1,350,000
Annual Accounting Threshold		
Future turnover	£1,350,000	£1,350,000

M STAMP DUTY LAND TAX

Residential Properties		Non Residential Properties & Residential Properties in Disadvantaged Areas	
£0 - £175,000 *	0%	£0 - £150,000	0%
£175,001* - £250,000	1%	£150,001 - £250,000	1%
£250,001 - £500,000	3%	£250,001 - £500,000	3%
Over £500,001	4%	Over £500,001	4%

From 1 October 2007 all new zero-carbon rated homes costing up to £500,000 will pay no stamp duty land tax; homes costing in excess of £500,000 will receive a reduction in stamp duty land tax of £15,000

*From 01/01/10 this reverts back to £125,000

N NATIONAL INSURANCE CONTRIBUTIONS FROM 6 APRIL 2009

Class 1 - Individuals in Employment

Lower Earnings Limit
£95 wkly / £412 mthly / £4,940 yrly.

There is no liability for either employees' or employers' contributions if earnings are below these limits.

Earnings Threshold (Employees & Employers)

£110 wkly / £476 mthly / £5,715 yrly.

For earnings between the lower earnings limit and the earnings threshold although no NICs are actually paid they are treated as having been paid for the purposes of claiming benefits.

Upper Accrual Point
£770 wkly / £3,337 mthly / £40,040 yrly.

Upper Earnings Limit
£844 wkly / £3,656 mthly / £43,875 yrly.

Applies to employees only.

Not Contracted-out rates on the following bands of weekly earnings

£0.00 to £95.00	NIL	NIL
£95.01 to £110.00	0%	0%
£110.01 to £844.00	11%	12.8%
Over £844.00	1%	12.8%

Contracted-out rates on the following bands of weekly earnings

	Employee	Employer
	COSR	COMP
£0.00 to £95.00	NIL	NIL
£95.01 to £110.00	0%	0%
£110.01 to £770.00	9.4%	9.1%
£770.01 to £844	11%	12.8%
Over £844.00	1%	12.8%

Employer Contributions – COSR above relates to contracted-out salary-related schemes and COMP to contracted-out money purchase schemes.

Class 2 - Self Employed Individuals - £2.40 a week. Earnings under £5,075 per annum are excepted.

Class 3 - Voluntary Contributions - £12.05 a week, for protection of benefits by those not liable under Class 1 or 2

Class 4 - Self Employed Individuals - 8% on assessable profits between £5,715 and £43,875 a year. 1% above £43,875

Disclaimer: These tables are based on the proposals set out by the Chancellor in his Budget of 22 April 2009 but may be amended in the Finance Bill. They are produced as a general guide and are not a substitute for professional advice specific to your circumstances.