

Business tax

Corporation tax

Taxable profits (£)	Y/e 31.3.2011	Y/e 31.3.2010
1 to 300,000	21.00%	21.00%
300,001 to 1,500,000	29.75%	29.75%
Over 1,500,000	28.00%	28.00%
Marginal relief fractions: 300,001 to 1,500,000	7/400	7/400

Capital allowances

Annual Investment Allowance	2010/11	2009/10
100% allowance for expenditure on plant and machinery (excluding cars) up to:	£100,000	£50,000
First year allowances	2010/11	2009/10
Energy-saving or environmentally beneficial plant and machinery, cars with CO ₂ emissions below 110g/km and zero emissions goods vehicles	100%	100%
Other qualifying plant and machinery	N/A	40%
Writing-down allowances	2010/11	2009/10
Integral features	10%p.a. (1)	10%p.a. (1)
Long life plant and machinery	10%p.a. (1)	10%p.a. (1)
Other plant and machinery	20%p.a. (1)(3)	20%p.a.(1)(3)
Industry/agricultural buildings	1%p.a. (2)	2%p.a. (2)

Notes: (1) Reducing balance (2) Straight-line. Abolished for 2011/12 and later years.
(3) Cars with CO₂ emissions of 160g/km and above are allocated to the 10% pool.

Indirect taxes

Value added tax

	2010/11	2009/10
Standard rate	17.5%	15% (1)
Annual turnover limits: Registration	£70,000(2)	£68,000
Annual turnover limits: De-registration	£68,000(2)	£66,000

Notes: (1) Rate increased to 17.5% from 1 January 2010. From 1 December 2008 to 31 December 2009 the rate was 15%. (2) From 1 April 2010

Stamp taxes

Shares and securities	0.5%
Land and lease premiums:	
Residential:	
£125,000 or less (1)	NIL
£125,001-£250,000 (2)	1%
£250,001-£500,000	3%
Over £500,000	4%
Over £1 million	5% (3)
Non-residential or mixed: (4)	
£150,000 or less	NIL
£150,000-£250,000	1%
£250,001-£500,000	3%
Over £500,000	4%

Lease rentals (on grant): The Net Present Value (NPV) is charged at 1% on the excess over £125,000 for residential, and 1% on the excess over £150,000 for non-residential land.

(1) The threshold for properties in disadvantaged areas is £150,000. (2) First time buyers can claim relief from SDLT on residential transactions up to £250,000 in the two years to 25 March 2012. (3) From 6 April 2011. (4) Special rules apply to stamp duty land tax on premiums where the annual rent exceeds £1,000.



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We believe the information in Tax Rates 2010/11 to be correct at the time of going to press, but we cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein. The provisions announced in the Budget may be subjected to amendment during the passage of the Finance Bill 2010 through Parliament. April 2010

Tax Rates 2010-2011



Personal tax

Income tax rates

Year	Taxable income	Rate	Cumulative tax
2010/11	£0 to 37,400	20% ⁽¹⁾⁽²⁾	£7,480
	£37,401 to £150,000	40%	£45,040
	Over £150,00	50%	
2009/10	£0 to 37,400	20% ⁽¹⁾⁽²⁾	£7,480
	Over 37,400	40%	

Certain trusts taxed at 50% (42.5% on dividend income)

(1) Savings and dividend income taxable at 10% to the extent that other taxable income is less than £2,440 (2010/11 and 2009/10). (2) Dividend income taxable at 10% to the extent that other taxable income is less than £37,400 (2010/11 and 2009/10), and thereafter at 32.5% if total income is below £150,000 and 42.5% above that level (32.5% 2009/10).

Allowances and reliefs

	2010/11		2009/10	
Personal allowance (£)	£6,475 ⁽¹⁾		£6,475	
Blind person's allowance (£)	£1,890		£1,890	
Age allowance	65-74	75+	65-74	75+
Personal (£)	£9,490 ⁽¹⁾	£9,640 ⁽¹⁾	£9,490	£9,640
Married couples (£)	N/A	£6,965 ⁽²⁾	N/A	£6,965 ⁽²⁾
Income limit (£)	£22,900	£22,900	£22,900	£22,900

(1) Allowance withdrawn at a rate of £1 of allowance for every £2 of income over £100,000. (2) Tax relief restricted to 10%. One spouse must have been born before 6th April 1935.

Capital gains tax

	2010/11	2009/10
Rates (individuals)	18%	18%
Rate (UK trusts)	18%	18%
Individual annual exemption	£10,100	£10,100
Trusts annual exemption	£5,050	£5,050

Entrepreneurs' Relief on qualifying disposals reduces gains up to £2 million (£1 million prior to 2010/11) by 4/9 (effective rate 10%).

Individual savings accounts (ISAs)

Maximum annual contributions 2010/11:
Up to £10,200 in total, maximum cash investment £5,100.

Registered pension contributions: tax relief

For 2010/11, the combined annual total of employee and employer contributions is capped at £255,000. Subject to this, employee contributions are limited to the higher of £3,600 and 100% of relevant UK earnings. Individuals earning in excess of £130,000 in the tax year or previous two tax years may be subject to a special annual allowance, set at £20,000, with contributions above this amount receiving only basic rate tax relief. The special annual allowance is increased up to a maximum of £30,000 if irregular contributions in the previous three tax years on average exceeded £20,000. The lifetime allowance for the capital value of the fund is capped at £1,800,000 for 2010/11. From April 2010 the minimum age for taking pension benefit increases from 50 to 55.

Inheritance tax

Tax rate on death	2010/11	2009/11
Nil	£0-325,000*	£0-325,000*
40%	Over £325,000	Over £325,000

* Nil rate band may be increased by unused proportion of the nil rate band attributable to predeceased spouse or civil partner.

Lifetime gifts

Most lifetime gifts to individuals are only charged to inheritance tax if made within 7 years before the donor's death. Subject to the nil rate band they are charged on the following scale:

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20
% effective rate	40	32	24	16	8

Lifetime gifts to most trusts are, subject to the nil rate band, chargeable at half the death rate increasing on the above scale on death within 7 years.

National insurance contributions 2010/11

Class I Employees' rates

Weekly earnings	Not contracted out	Contracted out
First £96	NIL	NIL
£97 to £110	NIL	NIL
£111 to £844	11%	9.4% ⁽¹⁾
Earnings over £844	1%	1%

Employers' rates

Weekly earnings	Not contracted out	Contracted out	
First £95	NIL	(2)	(3)
£96 to £110	NIL	NIL	NIL
£111 to £844	12.8%	9.1% ⁽⁴⁾	11.4% ⁽⁵⁾
Earnings over £844	12.8%	12.8%	12.8%

(1) Employees' rebate 1.6%. (2) Contracted out salary related schemes. (3) Contracted out money purchase schemes. (4) Employers' rebate 3.7%. (5) Employers' rebate 1.4%.
Class 1A (employer) 12.8% on most benefits in kind not within class 1.
Class 2 (self-employed) Flat rate £2.40 p.w.
Class 3 (non-employed) Voluntary. Flat rate £12.05 p.w.
Class 4 (self-employed) 8% on annual profits between £5,715 and £43,875.
1% on annual profits above £43,875.

Venture capital trusts (VCTs)

	2010/11	2009/10
Investment qualifying for income tax relief	£200,000	£200,000
Income tax relief	30%	30%
Tax on dividends	NIL	NIL
Capital gains tax on VCT shares	NIL	NIL

Car benefits 2010/11

Petrol and diesel cars with approved CO₂ emissions registered after 31 December 1997⁽¹⁾

CO ₂ emissions (gms/km) below	Price percentage taxable ⁽²⁾⁽³⁾	
	Petrol	Diesel
120 or lower	10%	13%
130	15%	18%
135	16%	19%
Tax charge increases by 1% per each additional 5 gms/km until:		
215	32%	35%
220	33%	35%
225	34%	35%
230	35%	35%

CO₂ emissions figure rounded down to nearest percentage.

Diesel cars with Euro 4 approved engines registered before 1 January 2006 – use petrol percentages.

(1) Price percentage taxable for petrol and diesel cars with no approved CO₂ emissions figure (registered before 1 January 1998, and certain custom cars and private imports) depends on engine size, petrol or diesel, and date first registered.

(2) "Price" is normally the UK list price on first registration, subject to £80,000 maximum, but for classic cars market value may apply if higher.

(3) The following reductions apply: hybrid cars – 3%; cars running on E85 or biofuel – 2%; electric cars exempt from fuel benefit charge from 2010/11 to 2015/16.

Car fuel benefits (not electric cars)

	2010/11	2009/10
Same % used to calculate the car benefit	£18,000	£16,900

Van Benefits

	2010/11	2009/10
Company van benefit	£3,000	£3,000
Van fuel benefit	£550	£500

Approved mileage rates (employee's own vehicle)

Rate per mile	2010/11	2009/10
Car or van: First 10,000 miles	40p	40p
Car or van: over 10,000 miles	25p	25p
Motorcycle	24p	24p
Bicycles	20p	20p
Additional passenger payment	5p	5p

Employer's payments for business use are free of tax and NIC if they do not exceed the above rates.

Enterprise investment scheme (EIS)

	2010/11	2009/10
Investment qualifying for income tax relief	£500,000	£500,000
Income tax relief	20%	20%
Capital gains tax on EIS shares	NIL	NIL
Capital gains deferral by EIS investment	Unlimited	Unlimited