



Our Client Services

- Accounts preparation
- Bookkeeping services
- Taxation - personal and corporate
- Payroll - bureau service
- Employment contracts
- Staff training
- Health and safety advice

INCOME TAX RATES

	2011/2012	2010/2011
Starting rate for savings - 10% *	£0 - £2,560	£0 - £2,440
Basic rate - 20%	£0 - £35,000	£0 - £37,400
Higher rate - 40%	£35,001 - £150,000	£37,401 - £150,000
Additional rate - 50%	Over £150,000	Over £150,000

* The 10% starting rate is for savings income only. If non-savings taxable income is above this limit then the 10% starting rate for savings will not apply.
Dividends - 10% for income within the basic rate band, 32.5% within the higher rate band and 42.5% for income liable to the additional rate.

Rate applicable to trusts:	2011/2012	2010/2011
• Dividends	42.5%	42.5%
• Other income	50%	50%

MAIN ALLOWANCES AND RELIEFS

Allowance/Relief	2011/2012	2010/2011
Personal		
• Age under 65 (1)	£7,475	£6,475
• Age 65 - 74 (1)(2)	£9,940	£9,490
• Age 75 and over (1)(2)	£10,090	£9,640
Income limit for personal allowance	£100,000	£100,000
Married couple's		
• Age 75 and over (2)(3)	£7,295 *	£6,965 *
• Minimum allowance	£2,800 *	£2,670 *
Income limit for age-related allowances	£24,900	£22,900
Blind person	£1,980	£1,890
Payment on loss of office	£30,000	£30,000
Enterprise Investment Scheme	£500,000 ***	£500,000 **
Venture Capital Trusts	£200,000 ***	£200,000 ***
Maintenance payments (3)	£2,800 *	£2,670 *
ISAs - annual limit	£10,680	£10,200

* Relief up to 10% ** Relief up to 20% *** Relief up to 30%

- (1) The personal allowance reduces by £1 for every £2 of income above the £100,000 limit.
(2) Reduced by £1 for every £2 of income in excess of the age-related limit. Except where income is above £100,000, the allowance will never be less than the basic personal allowance or minimum amount of married couple's allowance.
(3) Only applies where either party born before 6/4/35.

PERSONAL PENSION SCHEMES

Tax is charged on the value of the contributions that exceed the annual allowance or relevant earnings. Tax is also charged if the value of the pension at retirement exceeds the individual's lifetime allowance.

	2011/2012	2010/2011
Annual allowance	£50,000	£255,000
Lifetime allowance	£1,800,000	£1,800,000

CORPORATION TAX

	Year to 31/3/2012	Year to 31/3/2011
Small profits rate: 20% (21%)	£0 - £300,000	£0 - £300,000
Marginal rate: 27.5% (29.75%)	£300,001 - £1,500,000	£300,001 - £1,500,000
Main rate: 26% (28%)	£1,500,001 or more	£1,500,001 or more
Marginal relief fraction	3/200	7/400

This TaxCard has been prepared from proposals contained in the Budget of 23rd March 2011. These proposals may be amended in the Finance Bill.

MAIN CAPITAL ALLOWANCES

	2011/2012	2010/2011
Plant and machinery		
• Annual Investment Allowance - expenditure up to	£100,000	£100,000
• Writing down allowance		
- General plant	20%	20%
- Long life assets	10%	10%
- Integral features	10%	10%
Motor cars pre April 2009 (maximum £3,000 per car)	20%	20%
Motor cars on or after April 2009:		
• CO2 not exceeding 110g/km	100%	100%
• CO2 between 111g/km and 160g/km	20%	20%
• CO2 exceeding 160g/km	10%	10%
Research and development	100%	100%
Industrial buildings, hotels and agricultural buildings	N/A	1%
Enterprise zone commercial and industrial buildings	N/A	100%

COMPANY CAR BENEFITS

Car benefit charges - 2011/2012

Tax is charged on a percentage of the value of the car and this percentage varies according to the level of the car's carbon dioxide (CO2) emissions measured in grams per kilometre (g/km). The value of the car will normally be the list price, together with any accessories. The percentage ranges from 5% to 35% for petrol cars. There is a 3% supplement for diesel cars, subject to a maximum charge of 35% of the list price.

Provision of fuel - 2011/2012

Flat rate benefit of £18,800 x CO2 emission percentage.
No fuel benefit if the employee is required to pay for (and actually pays) all private fuel or if fuel is only provided for business journeys.

VAT on fuel benefits - 2011/2012

Rates vary according to CO2 emissions in grams per kilometre. The CO2 bands correspond to those for the income tax car benefit charges.

STATUTORY MILEAGE RATES

	Up to 10,000 miles	Excess
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Each passenger on same trip	5p	5p

STAMP DUTY AND STAMP DUTY LAND TAX

Shares	Up to £1,000	exempt	Over £1,000	0.5%
Land and buildings				
Rate	Residential in disadvantaged areas	Residential outside disadvantaged areas	Non-residential or mixed	
NIL	£0 - £150K	£0 - £125K	£0 - £150K	
1%	£150,001 - £250K *	£125,001 - £250K *	£150,001 - £250K	
3%	£250,001 - £500K	£250,001 - £500K	£250,001 - £500K	
4%	£500,001 - £1M	£500,001 - £1M	More than £500K	
5%	More than £1M	More than £1M	N/A	

* First time buyers can claim relief from Stamp Duty Land Tax on residential transactions up to £250,000 between 25/03/2010 and 24/3/2012.

VALUE ADDED TAX

Rates:	From 4/1/2011	To 3/1/2011
• Standard	20%	17.5%
• Reduced	5%	5%
• Zero	0%	0%
VAT fraction	1/6	7/47
	From 1/4/2011	From 1/4/2010
Registration threshold	£73,000	£70,000
De-registration threshold	£71,000	£68,000
Cash accounting scheme - max turnover	£1,350,000	£1,350,000
Annual accounting scheme - max turnover	£1,350,000	£1,350,000
Flat rate scheme - max turnover	£150,000	£150,000

INHERITANCE TAX

	2011/2012	2010/2011
Nil rate band	£325,000	£325,000
Tax on excess	40%	40%
Annual exemption - donor	£3,000	£3,000
Small gifts to any one person	£250	£250
Gifts made in consideration of marriage:		
• Parent	£5,000	£5,000
• Grandparent	£2,500	£2,500
• Between the parties to the marriage	£2,500	£2,500
• Other	£1,000	£1,000

From 9/10/07 the unused proportion of the nil-rate band can be transferred to a surviving spouse or civil partner.

Relief on gifts made within 7 years of death:

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

CAPITAL GAINS TAX

Rates	2011/2012	2010/2011
		From 23/6/10
Individuals:		Until 22/6/10
Basic rate taxpayers	18%	18%
Higher and additional rate taxpayers	28%	18%

Companies: Gains charged to corporation tax

Reliefs	2011/2012	2010/2011
Annual exemption	£10,600	£10,100
• Individuals	£5,300	£5,050
• Most trusts	£6,000	£6,000
Chattels exemption		
Entrepreneurs' relief		
• Lifetime allowance	From 6/4/2011 £10,000,000	From 23/6/2010 £5,000,000
• Rate of tax	10%	10%

NATIONAL INSURANCE CONTRIBUTIONS

Lower earnings limit, primary Class 1	£102 per week
Upper earnings limit, primary Class 1	£817 per week
Upper accrual point	£770 per week
Primary threshold	£139 per week
Secondary threshold	£136 per week
Employees' primary Class 1 rate	12% between £139 and £817 per week
	2% above £817
Employees' contracted-out rebate	1.6%
Married women's reduced rate	5.85% between £139 and £817 per week
	2% above £817
Employers' secondary Class 1 rate	13.8% above £136 per week
Employers' contracted-out rebate, salary-related schemes	3.7%
Employers' contracted-out rebate, money-purchase schemes	1.4%
Class 2 rate	£2.50 per week
Class 2 small earnings exception	£5,315 per year
Special Class 2 rate for share fishermen	£3.15 per week
Special Class 2 rate for volunteer development workers	£5.10 per week
Class 3 rate	£12.60 per week
Class 4 lower profits limit	£7,225 per year
Class 4 upper profits limit	£42,475 per year
Class 4 rate	9% between £7,225 and £42,475 per year
	2% above £42,475