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CHARTERED ACCOUNTANTS AND BUSINESS ADVISERS



*Adding value
- Talking Sense*

TAX DATA 2011/2012

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Income Tax

| | 2011-12 | 2010-11 |
|--------------------------------|----------|----------|
| Basic rate band – income up to | £35,000 | £37,400 |
| Starting rate for savings | *10% | *10% |
| Basic rate | 20% | 20% |
| Dividend ordinary rate | 10% | 10% |
| Higher rate – income over | £35,000 | £37,400 |
| Higher rate | 40% | 40% |
| Dividend upper rate | 32.5% | 32.5% |
| Additional rate – income over | £150,000 | £150,000 |
| Additional rate | 50% | 50% |
| Dividend additional rate | 42.5% | 42.5% |

*Starting rate is for savings income up to the starting rate limit of £2,560 (£2,440) within the basic rate band. The rate applies to any balance of the limit remaining after allocating taxable non-savings income.

| | | | |
|---------------------------------|---------------|----------|---------|
| Personal allowances (PA) | | | |
| | – under 65 | *£7,475 | *£6,475 |
| | – 65 to 74 | *£9,940 | *£9,490 |
| | – 75 and over | *£10,090 | *£9,640 |

Married couple's allowance (MCA)

| | | |
|-----------------------------------------------------------------------|---------|---------|
| Either partner born before 6 April 1935 (relief restricted to 10%) | *£7,295 | *£6,965 |
|-----------------------------------------------------------------------|---------|---------|

Ages are as at the end of the tax year. *Age-related allowances are reduced by £1 for every £2 that adjusted net income exceeds £24,000 (£22,900) to a minimum PA of £7,475 (£6,475) and to a minimum MCA of £2,800 (£2,670). Where adjusted net income exceeds £100,000, PA is reduced in the same way until it is nil.

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% |
| ISAs: Overall investment limit | £10,680 | £10,200 |
| Including cash maximum of | £5,340 | £5,100 |

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 £50,000 there may be a tax charge on the excess.

| | | |
|----------------------------------|-------------------|------------|
| Maximum age for tax relief | | 74 |
| Minimum age for taking benefits | | 55 |
| Lifetime allowance charge | – lump sum paid | 55% |
| | – monies retained | 25% |
| on cumulative benefits exceeding | | £1,800,000 |
| Maximum tax-free lump sum | | 25%* |

*Subject to transitional protection for excess amount.

Company Cars and Vans

These taxable benefits generally arise on employees earning £8,500 or over (including benefits) and directors. **Company car benefit** is calculated as a percentage (based on the car's CO₂ emissions rounded down to next multiple of 5) of the car's UK list price. The normal minimum rate is 15%. Diesel cars generally suffer a 3% supplement on top of the CO₂ emissions-based percentage. The maximum rate for all cars is 35%. Special rules apply to certain environmentally friendly cars.

Company car fuel benefit is charged unless the cost of all fuel for private use is borne by the employee. The taxable benefit is calculated by applying the appropriate car benefit percentage to £18,800. Where VAT is to be reclaimed on fuel for private use, the employer also has to account for output tax based on a fuel scale charge derived from the vehicle's CO₂ emissions (see table below).

Company van benefit is not related to CO₂ emissions but is a set figure of £3,000 with an extra £550 where fuel for private use is provided. There is no benefit charge for certain environmentally friendly vans or where the restricted private use condition is met.

Mileage rates for employees using their own cars for business: approved rates are 45p 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.

VAT fuel scale charges for 3 month return period beginning on or after 1 May 2011 (round CO₂ emissions down to next multiple of 5)

| CO ₂ in g/km | Scale charge £ | CO ₂ in g/km | Scale charge £ | CO ₂ in g/km | Scale charge £ |
|----------------------------|-------------------|----------------------------|-------------------|----------------------------|-------------------|
| 120 or less | 157 | 155 | 331 | 190 | 441 |
| 125 | 236 | 160 | 346 | 195 | 457 |
| 130 | 252 | 165 | 362 | 200 | 472 |
| 135 | 268 | 170 | 378 | 205 | 488 |
| 140 | 283 | 175 | 394 | 210 | 504 |
| 145 | 299 | 180 | 409 | 215 | 520 |
| 150 | 315 | 185 | 425 | 220 | 536 |
| | | | | 225 or over | 551 |

Corporation Tax

| Financial Year to | | 31 March 2012 | 31 March 2011 |
|-------------------|------------|---------------|---------------|
| Taxable Profits | | | |
| First | £300,000 | 20% | 21% |
| Next | £1,200,000 | 27.5% | 29.75% |
| Over | £1,500,000 | 26% | 28% |

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 – £1,000,000*** | 4% |
| Over £1,000,000*** | 5%*** |

*£150,000 for non-residential property, and residential property in disadvantaged areas. Special rules apply for new zero-carbon homes. **Relief available for first time buyers of residential property. ***Residential property only.

Value Added Tax

| From | 4 Jan 2011 | 1 Jan 2010 |
|----------------------|------------|------------|
| Standard Rate | 20% | 17.5% |
| VAT Fraction | 1/6 | 7/47 |
| Reduced Rate | 5% | 5% |

Current Turnover Limits

| | |
|-------------------------------------------------------|---------------------------|
| Registration – last 12 months or next 30 days over | £73,000 from 1 April 2011 |
| Deregistration – next year under | £71,000 from 1 April 2011 |
| Annual and Cash Accounting Schemes | £1,350,000 |
| Flat Rate Scheme | £150,000 |

National Insurance Contributions

| Class 1 (not contracted out) | Employer | Employee |
|-------------------------------------------------------------------------------|------------------|----------|
| Payable on weekly earnings of | | |
| Up to £102 (lower earnings limit) | Nil | Nil |
| £102 - £136 (employers' earnings threshold) | Nil | Nil |
| £136.01 - £139 (employees' earnings threshold) | 13.8% | Nil |
| £139.01 - £770 (upper accrual point) | 13.8% | 12% |
| £770.01 - £817 (upper earnings limit) | 13.8% | 12% |
| over £817 | 13.8% | 2% |
| <i>Over state retirement age, the employee contribution is generally nil.</i> | | |
| Class 1A On relevant benefits | 13.8% | Nil |
| Class 2 Self employed | £2.50 per week | |
| Limit of net earnings for exception | £5,315 per annum | |
| Class 3 Voluntary | £12.60 per week | |
| Class 4* Self employed on profits | | |
| £7,225 - £42,475 | 9% | |
| Excess over £42,475 | 2% | |

*Exemption applies if state retirement age was reached by 6 April 2011.

Capital Gains Tax

| | |
|--------------------------------|----------------|
| On chargeable gains | 2011-12 |
| Total taxable income and gains | |
| Up to £35,000 | 18% |
| From £35,001 | 28% |
| Trust rate | 28% |

Entrepreneurs' relief

Qualifying gains will be taxed at 10%. Claims may be made on more than one occasion up to a "lifetime" total of £10 million.

Annual exempt amount – individuals £10,600 and most trustees £5,300.

Transfers between spouses and civil partners are generally not chargeable.

Inheritance Tax

| | 2011-12 | 2010-11 |
|---------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Standard threshold | £325,000 | £325,000 |
| Combined threshold maximum for married couples and civil partners | £650,000 | £650,000 |
| Rate of tax on balance: | | |
| Chargeable lifetime transfers | 20% | 20% |
| Transfers on, or within 7 years of, death subject to a tapered reduction for transfers between 7 and 3 years before death | 40% | 40% |

Exemptions may be available; please contact us for relevant information and advice.

Capital Allowances

Plant and Machinery

Energy saving and environmentally beneficial equipment, new zero-emission goods vehicles, low CO₂ emission (up to 110g/km) cars, natural gas/hydrogen refuelling equipment
first year allowance (FYA)

100%

Annual Investment Allowance (AIA)
– on first £100,000 of investment

100%*

(£50,000 for expenditure incurred before 6 April 2010 or 1 April 2010 for companies). Excludes cars and expenditure already qualifying for 100% FYA

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% |

Enterprise Zone Allowance, conversion of parts of business premises into flats, business premises renovation
max initial allowance

100%

**Transitional rules may apply.*

Selected Rates

Basic Retirement Pension

| | |
|-----------------|---------|
| – Single person | £102.15 |
| – Couple | £163.35 |

Pension Credit

Standard Minimum Guarantee

| | |
|-----------------|---------|
| – Single person | £137.35 |
| – Couple | £209.70 |

Child Benefit

| | |
|-------------------------|--------|
| – First eligible child | £20.30 |
| – Each subsequent child | £13.40 |

Statutory Pay qualification – average weekly earnings (AWE) £102 or over.

Sick (SSP) The standard rate is £81.60 per week for up to 28 weeks.

Maternity (SMP), Adoption (SAP) and Paternity (SPP) paid at the lower of £128.73 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 (25 or over) | £67.50 |
| – Couple | £105.95 |

National Minimum Wage

| Age | 21 and over | 18-20 | 16 and 17 |
|---------------------|-------------|-------|-----------|
| From 1 October 2010 | £5.93 | £4.92 | £3.64 |

Apprentice rate of £2.50 applies to apprentices under 19, or those 19 and over in the first year of apprenticeship.

Key Dates & Deadlines

| Payment Dates | | 2011-12 | 2010-11 |
|------------------------------------|--------------------------------------------------------------------------------------------------------|---------|---------|
| Income Tax and Class 4 NICs | | | |
| 1st payment on account | 31 January | 2012 | 2011 |
| 2nd payment on account | 31 July | 2012 | 2011 |
| Balancing payment | 31 January | 2013 | 2012 |
| Capital Gains Tax | 31 January | 2013 | 2012 |
| Class 1A NICs | 19 July | 2012 | 2011 |
| Corporation Tax | 9 months and one day after the end of accounting period (or by quarterly instalments if large company) | | |

2010-11 Returns Filing Deadlines

| | |
|------------------|------------------------------------------------------------------------------------------|
| 19 May 2011 | P14, P35, P38 and P38A |
| 31 May 2011 | Issue P60s to employees |
| 6 July 2011 | P9D, P11D and P11D(b) – and appropriate copies to employees |
| 31 October 2011 | Self Assessment Tax Return (SATR) – paper version |
| 30 December 2011 | SATR Online where outstanding tax (less than £2,000) to be included in 2012-13 PAYE code |
| 31 January 2012 | 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.