



Chartered
Management
Accountants



TAX RATES
2015-16



SUMMER
BUDGET

Income Tax

Main allowances	2015/16	2014/15
Personal Allowance (PA)	£10,600	£10,000
Personal Allowance (born 6.4.38-5.4.48)	10,600	10,500*
Personal Allowance (born before 6.4.38)	10,660*	10,660*
Transferable Tax Allowance**	1,060	Nil
Blind Person's Allowance	2,290	2,230
<i>Allowed only at 10%</i>		
Married Couple's Allowance (MCA)		
(only available if born before 6.4.35)	8,355*	8,165*
Age-related allowance income limit (AAIL)	27,700	27,000

PA is withdrawn at £1 for every £2 by which net income exceeds £100,000, such that PA becomes nil at income of £121,200 (2014/15: £120,000)

*These allowances are reduced by £1 for every £2 by which income exceeds AAIL. Personal allowance is reduced before MCA, until equal to normal PA. MCA is reduced to minimum £3,220 (2014/15: £3,140).

**Married couples/civil partners born after 5 April 1935 can transfer this amount of the PA between them as long as the recipient is not taxed at more than 20%.

Rate bands	2015/16	2014/15
Basic rate band (BRB)	£31,785	£31,865
Higher rate band (HRB)	31,786 – 150,000	31,866 – 150,000
Additional rate	over 150,000	over 150,000

BRB and HRB are extended by personal pension contributions (up to permitted limit) and Gift Aid donations.

Tax rates

Rates differ for General/Savings/Dividend income

	2015/16 unchanged from 2014/15		
	G	S	D
Basic rate	20%	20%	10%
Higher rate	40%	40%	32.5%
Additional rate	45%	45%	37.5%

If taxable general income is less than £5,000 (2014/15: £2,880), savings income is taxed at a 'starting rate' of nil (2014/15: 10%) until total taxable income exceeds that limit. This 'starting rate band' is part of the BRB.

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of adjusted net income between £50,000 and £60,000.

Remittance basis charge

For non-UK domiciled individuals who have been UK resident in at least

	2015/16	2014/15
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	50,000
17 of the preceding 20 tax years	90,000	N/A

Pensions

Registered Pensions	2015/16	2014/15
Lifetime allowance (LA)	£1.25m	£1.25m
Annual allowance (AA)	40,000	40,000
LA charge if excess drawn as	Cash 55%/income 25%	
AA charge on excess inputs	20%-45%	

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

State pension	2015/16	2014/15
Single person	£115.95	£113.10
Married couple	185.45	180.90

Annual investment limits

	2015/16	2014/15
Individual Savings Account	£15,240	£15,000
Junior ISA	4,080	4,000
EIS – 30% relief	1,000,000	1,000,000
EIS eligible for CGT deferral relief	Unlimited	Unlimited
Seed EIS (SEIS) – 50% relief	100,000	100,000
SEIS – 50% exemption for reinvested gains	100,000	100,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

National Insurance Contributions

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£155pw	£156pw
Main rate* charged up to	£815pw	no limit
2% rate on earnings above	£815pw	N/A
Contracted out rebate on £112.01–£770pw	1.4%	3.4%
Employment allowance per business	N/A	£2,000

*Nil rate of employer NIC for employees under the age of 21 up to £815pw. Since 6.4.2012, only employment with a salary-related pension scheme can benefit from the lower contracted-out NIC rates.

Employer contributions (at 13.8%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

Class 2 (Self employed)

Flat rate per week	£2.80
Small profits threshold	£5,965

Class 3 (Voluntary)

Class 3: Flat rate per week	£14.10
Class 3A: Contributions vary with age	

Class 4 (Self employed)

On profits £8,061 – £42,385	9.0%
On profits over £42,385	2.0%

Vehicle Benefits

Cars

Taxable benefit: Chargeable value multiplied by chargeable %.

Chargeable value: Initial list price of car (including most accessories), reduced by any capital contribution (maximum £5,000) by employee when the car is first made available.

Chargeable percentage:

CO ₂ emissions	Petrol	Diesel
0-50g/km	5%	8%
51-75g/km	9%	12%
76-94g/km	13%	16%
Above 94g/km	Add 1% for every 5g/km	
Above 210g/km (petrol)/ 195g/km (diesel)	37% maximum	

Vans

Chargeable value of £3,150 (2014/15 £3,090) if private use is more than home-to-work.

Fuel

Employer provides fuel for private motoring in an employer-owned: **Car:** CO₂-based percentage from above table multiplied by £22,100 (2014/15 £21,700).

Van: £594 (2014/15 £581).

Employee contributions do not reduce taxable figure unless all private fuel is paid for by the employee (in which case there is no benefit charge).

Tax-free mileage allowances

Employee's own transport	per business mile
Cars first 10,000 miles	45p
Cars over 10,000 miles	25p
Business passengers	5p
Motorcycles	24p
Bicycles	20p

Capital Gains Tax

Annual exemption	2015/16	2014/15
Individuals, estates	£11,100	£11,000
Most trusts	5,550	5,500

Tax rate

Individual (to basic rate limit)	18%	18%
Individual (above basic rate limit)	28%	28%
Entrepreneurs' Relief (ER)*	10%	10%
Trusts, estates	28%	28%

*ER is available for lifetime gains of up to £10m. Qualifying disposals include a trading business or shares in a trading company (from a minimum 5% holding) of an officer/employee. Other conditions apply.

Corporation Tax

Effective rate to	31.3.2016	31.3.2015
Profits up to £300,000	20%	20%
Profits £300,001 to £1,500,000	20%	21.25%
Profits above £1,500,000	20%	21%

Research and development relief	From 1.4.2015	From 1.4.2014
SME enhanced expenditure deduction scheme*	130%	125%
Large company enhanced expenditure deduction scheme*	30%	30%
Large company R&D Expenditure Credit (RDEC) scheme**	11%	10%

*Additional deduction for qualifying R&D

**Taxable expenditure credit for qualifying R&D

SMEs that make losses can surrender the deduction to HMRC in exchange for a payment of 14.5% (year to 31.3.15: 14.5%) of the loss.

From 1 April 2016, RDEC will be the only scheme available for large companies.

Main capital allowances

Plant and machinery	Limit
100% Annual Investment Allowance (AIA)	
– expenditure 1.4.14* – 31.12.15	£500,000
– expenditure post 31.12.15	200,000

* 6.4.14 for unincorporated businesses and LLPs

Other rates

– energy- and water-efficient equipment	100%
– writing down allowance: general pool (reducing balance)	18%
– writing down allowance: special rate pool (reducing balance)	8%

The special rate pool includes long life assets, integral plant in buildings, thermal insulation.

Motor cars (expenditure post 31.3.15)

CO₂ emissions (g/km)	Allowance
75 or less (new cars only) in first year	100%
Up to 130 (in general pool)	18%
Above 130 (in special rate pool)	8%

Property Taxes

Annual Tax on Enveloped Dwellings (ATED)

From 1 April 2013 the ATED applies to 'high value' residential properties owned via a corporate structure, unless the property is used for a qualifying purpose. From 1 April 2015 the tax applies to properties valued at £1m or more (previously £2m or more).

Property value	Annual charge to	
	31.3.2016	31.3.2015
£1m – £2m	£7,000	N/A
£2m – £5m	23,350	£15,400
£5m – £10m	54,450	35,900
£10m – £20m	109,050	71,850
£20m +	218,200	143,750

Stamp Duty Land Tax (SDLT)

Residential property: Purchase price	SDLT rate on the band*
Up to £125,000	Nil
£125,001 – £250,000	2%
£250,001 – £925,000	5%
£925,001 – £1.5m	10%
£1.5m +	12%

*A rate of 15% applies to the total purchase price where the property is valued above £500,000 and purchased by a 'non-natural person' (e.g. a company).

Commercial property Purchase price	SDLT rate on total price
Up to £150,000	Nil
£150,001 – £250,000	1%
£250,001 – £500,000	3%
£500,000 +	4%

Land and Buildings Transaction Tax (LBTT)

From 1 April 2015, SDLT is replaced by **Scotland** by LBTT. Like SDLT, it is payable by the purchaser.

Residential property Purchase price	Rate on band
Up to £145,000	Nil
£145,001 - £250,000	2%
£250,001 - £325,000	5%
£325,001 - £750,000	10%
£750,000 +	12%

Commercial property Purchase price	Rate on band
Up to £150,000	Nil
£150,001 - £350,000	3%
£350,000 +	4.5%

Value Added Tax

Standard rate (1/6 of VAT-inclusive price)	20%
Registration level from 1.4.2015	£82,000 per annum
Deregistration level from 1.4.2015	80,000 per annum

Flat rate scheme (FRS)

Annual taxable turnover to enter scheme	Up to £150,000
Must leave scheme if annual taxable turnover	Exceeds £230,000

If using FRS, the VAT paid by the business is a fixed percentage (based on business category) of "FRS turnover" rather than the net of output tax over input tax. Input tax is usually not recoverable.

Inheritance Tax

	2015/16	2014/15
Nil rate band*	£325,000	£325,000
Rate of tax above nil rate band**	40%	40%
Lifetime transfers to most trusts	20%	20%

Unlimited exemption for transfers between spouses/civil partners, except if UK domiciled transferor and foreign domiciled transferee, where maximum exemption £325,000.

100% Business Property Relief (BPR) for all shareholdings in qualifying unquoted trading companies, qualifying unincorporated trading businesses and certain farmland/buildings.

100% Agricultural Property Relief (APR) available on agricultural value of qualifying farmland/buildings.

BPR or APR available at 50% on certain property.

* Up to 100% of the proportion of a deceased spouse's/civil partner's unused nil rate band may be claimed to increment the current nil rate band when the survivor dies.

** Rate reduced to 36% if at least 10% of the relevant estate is left to charity.

Reduced tax charge on gifts within 7 years before death

Years before death	0-3	3-4	4-5	5-6	6-7
% of full death tax charge payable	100	80	60	40	20

Annual exemptions for lifetime gifts include £3,000 per donor and £250 per recipient.

Key dates and deadlines

Payment dates

Self assessment

		2015/16	2014/15
1st payment on account	31 January	2016	2015
2nd payment on account	31 July	2016	2015
Balancing payment	31 January	2017	2016
CGT	31 January	2017	2016

Other payment dates

Class 1A NIC	19 July	2016	2015
Class 1B NIC	19 October	2016	2015

Corporation tax is due 9 months and 1 day from the end of the accounting period, unless a 'large' company paying by quarterly instalments.

2014/15 Filing deadlines

Issue P60s to employees	31 May 2015
P9D, P11D, P11D(b)	6 July 2015
Self assessment tax return (SATR) paper version	31 October 2015
Online SATR if outstanding tax to be included in 2016/17 PAYE code	30 December 2015
Online SATR	31 January 2016

Useful rates

National Minimum Wage Rates per hour

	From	From
Aged 21 and over	1.10.15 £6.70	1.10.14 £6.50
Aged 18 – 20	5.30	5.13
Aged 16 – 17	3.87	3.79
Apprentices	3.30	2.73

Child Benefit

	2015/16	2014/15
First eligible child	£20.70	£20.50
Each subsequent child	13.70	13.55

You are advised to consult us before acting on any information contained herein.

2015/2016 Calendar

April 2015

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

May 2015

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

June 2015

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

July 2015

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

August 2015

M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September 2015

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October 2015

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November 2015

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

December 2015

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

January 2016

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2016

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

March 2016

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			



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