

Capital Gains Tax

	2010-11	2009-10
Tax rate	18%	18%
Annual exemption	£10,100	£10,100
- Individual		
- Settlement	£5,050	£5,050

Transfers between spouses and civil partners living together are exempt.

Entrepreneurs' relief

Relief available on the disposal of qualifying business assets and shares to give an effective tax rate of 10% on the first £2,000,000 of gains made during a lifetime (2009-10 £1,000,000). An election must be made.

Inheritance Tax

	2010-11	2009-10
Nil rate band	£325,000	£325,000
Rate of tax on balance:		
Chargeable lifetime transfers	20%	20%
Transfers on, or within 7 years of, death	40%	40%

All lifetime transfers not covered by exemptions and made within 7 years of death will be added back into the estate for the purpose of calculating the tax payable.

This may then be reduced:

Years before death	0-3	3-4	4-5	5-6	6-7
Tax reduced by	0%	20%	40%	60%	80%

Main exemptions

Most transfers between spouses and civil partners ■ The first £3,000 of lifetime transfers in any tax year plus any unused balance from the previous year ■ Gifts of up to but not exceeding £250 p.a. to any number of persons ■ Gifts made out of income that form part of normal expenditure and do not reduce the standard of living ■ Gifts in consideration of marriage/ civil partnership of up to £5,000 by a parent, £2,500 by a grandparent, or £1,000 by any other person ■ Gifts to charities, whether made during lifetime or on death.

Stamp Taxes

Stamp duty is payable at a rate of 0.5% on transfers of shares and certain securities.

Transfer of land and buildings

Stamp duty holiday for all residential properties £0 - £250,000 for first time buyers between 25 March 2010 - 25 March 2012

Rate	Residential in disadvantaged areas	Residential outside disadvantaged areas	Non residential
Zero	£0 - £150,000	£0 - £125,000	£0 - £150,000
1%	Over £150,000 - £250,000	Over £125,000 - £250,000	Over £150,000 - £250,000
3%	Over £250,000 - £500,000	Over £250,000 - £500,000	Over £250,000 - £500,000
4%	Over £500,000	Over £500,000	Over £500,000
5%*	Over £1,000,000	Over £1,000,000	

*Applicable from 6 April 2011

Selected Rates

	£
Basic Retirement Pension	
- single person	97.65
- married couple (wife not a contributor)	156.15
Child Benefit	
- first eligible child (from January 2009)	20.30
- each subsequent child	13.40

Statutory Pay Rates average weekly pay £97 or over:

Sick (SSP) Standard rate 79.15

Maternity (SMP)

90% of average weekly pay first 6 weeks
90% average weekly pay (max £124.88) next 33 weeks

Minimum rate 87.30

Adoption (SAP): 39 weeks

Paternity (SPP): one week or fortnight

SAP/SPP – 90% of average weekly pay Max. £124.88. Min. £87.30

Example Rates: from 6 April 2009

Jobseekers Allowance - single person (25 & over) 64.30
- couples and civil partnerships (both aged 18 or over) 100.95

National Minimum Wage

Age	over 22	18-21	16 and 17
From October 2008	£5.73 p.h.	£4.77 p.h.	£3.53 p.h.
From October 2009	£5.80 p.h.	£4.83 p.h.	£3.57 p.h.

Key Dates & Deadlines

	2010-11	2009-10
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Income Tax and Class 4 NIC

1st payment on account	31 January	2011	2010
2nd payment on account	31 July	2011	2010
Balancing payment	31 January	2012	2011
Capital Gains Tax	31 January	2012	2011

Corporation Tax
9 months and one day after the end of accounting period
(or by instalments if large company)

2009-10 Returns Filing/Issuing Deadlines

19 May 2010	P14, P35 and P38S
31 May 2010	Issue P60s to employees
6 July 2010	P9D, P11D and P11D (b), and appropriate copies to employees
31 October 2010	Self Assessment Tax Return paper version
31 January 2011	Self Assessment Tax Return online

2009-10 Class 1A NICs on Relevant Benefits

19 July 2010	Payment due
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2010 Budget Day Edition.

For advice on the above information and any updated rates please contact us.



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TAX DATA 2010-11

a different perspective, a broader view

Income Tax	2010-11	2009-10
Basic rate band - from £0 to	£37,400	£37,400
Starting rate limit for savings income £0 to	£2,440	£2,440
Basic rate	20%	20%
Dividend ordinary rate*	10%	10%
Higher rate - income over	£37,400	£37,400
Higher tax rate	40%	40%
Additional higher rate - income over	£150,000	-
Additional higher tax rate	50%	-
Investment Income Within starting rate band	10%	10%
Within basic rate band*	20%	20%
Dividends only Higher rate	32.5%	32.5%
Additional higher rate	42.5%	-
*10% tax credit - deemed to satisfy basic rate		
Allowances that reduce Taxable Income		
Personal allowances (PA) - under 65	£6,475##	£6,475
- 65 to 74	£9,490#/#	£9,490#
- 75 and over	£9,640#/#	£9,640#
Married Couples Allowance		
Age 75 and over	£6,965#	£6,965#
Restrictions in allowances		
#Age-related PA and MCA - income over	£22,900	£22,900
Minimum PA/MCA	£6,475/2,670	£6,475/2,670
##PA - income over £100,000	No minimum allowance	N/A
Ages are at the end of the tax year		
Tax Shelters		
Enterprise Investment Scheme - 20% up to	£500,000	£500,000
Venture Capital Trust - 30% up to	£200,000	£200,000
'Rent a Room' exempt on gross annual rent	£4,250	£4,250
Construction Industry Scheme deduction rate**	20%	20%
**20% for a registered subcontractor and 30% for an unregistered subcontractor		

Pensions and ISAs

Pensions: There is no limit on the amount that may be contributed to a registered pension scheme. The maximum amount on which an individual can claim 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 £255,000 there is a tax charge at 40% on the excess. This limit does not apply in the year that full pension benefits are taken.

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** 25%

Maximum tax - free lump sum 25%

*For individuals with income of £130,000 or more in 2010-11, or the two previous tax years, tax relief may be limited to 20% on annual contributions in excess of £20,000

**Subject to transitional protection for excess amount

ISAs: Overall investment limit £10,200

Including cash maximum of £5,100

Vehicles

Petrol and Diesel Car Benefits System

The taxable benefit is calculated as a percentage of the car's UK list price. The calculation begins with the car's CO2 emissions, in grams per kilometre. Then deduct 130 and divide the result by 5. Round down (4.9 = 4) and then add 15 (petrol) or 18 (diesel). The result is the taxable percentage. Normal minimum rates are petrol 15%, diesel 18% and the maximum rate for petrol and diesel is 35%. Special rules apply to some low emission and alternative fuel cars.

Chargeable on employees earning £8,500 or over (including benefits) and directors.

■ The list price relates to the day before first registration and includes accessories. The price is subject to an upper limit of £80,000. ■ The list price is reduced by the employee's capital contribution when the car is first made available, subject to a maximum deduction of £5,000. ■ Van, restricted private use condition not met, van benefit £3,000, fuel £550.

■ Payments by employees for private use may reduce the above benefits.

HM Revenue & Customs Mileage Rates

Car: Approved rates for employees using their own cars for business are 40p per mile for the first 10,000 miles and 25p per mile thereafter. Income tax and NICs may be due on higher rates and tax relief on lower costs.

Fuel: For employees using company cars, advisory rates for employee private mileage reimbursement or employer reimbursement of business mileage are published by HM Revenue & Customs from time to time. (Last updated 1 December 2009)

Car Fuel Benefit

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the taxable benefit is calculated as the car benefit percentage (see above) of £18,000. VAT is payable by the business by reference to the CO2 emissions (rounded down to the next multiple of 5) as follows:

VAT on scale charge for quarters commencing on or after 1 May 2010

CO2 in g/km	VAT on charge	CO2 in g/km	VAT on charge	CO2 in g/km	VAT on charge
120 or less	£21.00	160	£44.23	200	£61.21
125	£31.57	165	£46.47	205	£63.30
130	£31.57	170	£48.55	210	£65.38
135	£33.81	175	£50.64	215	£67.62
140	£35.89	180	£52.72	220	£69.70
145	£37.98	185	£54.81	225	£71.79
150	£40.06	190	£57.04	230 or more	£73.87
155	£42.15	195	£59.13		

Corporation Tax

Financial Year to	31 March 2011	31 March 2010
Taxable Profits	First £300,000	21%
	Next £1,200,000	29.75%
	Over £1,500,000	28%

Main Capital Allowances

Motor cars	CO2 emissions above 160g/km	20%	On reducing balance
Plant and machinery	Writing down allowance	20%	On reducing balance
	Fixtures integral to a building	10%	On reducing balance
Long life assets		10%	On reducing balance
Energy saving/Cars below 111g/km/New electric vans		100%	First year allowance
Annual Investment Allowance First £100,000 qualifies at		100%	of most expenditure

Value Added Tax

Standard Rate	17.5%
VAT Fraction	7/47
Taxable Turnover Limits	
Registration - last 12 months or next 30 days over	£70,000
Deregistration - next year under	£68,000
Annual Accounting Scheme	£1,350,000
Cash Accounting Scheme	£1,350,000
Flat Rate Scheme	£150,000

National Insurance Contributions

Class 1 (not contracted out)	Employer	Employee
Lower earnings limit		£97
Payable on weekly earnings of £110.01 - £844	12.8%*	11%/**
Over £844	12.8%*	1%/**
Over state retirement age	as above	Nil
Class 1A On relevant benefits	12.8%*	Nil
Class 2 Self employed		£2.40 per week
Small earnings exception		£5,075 per annum
Class 3 Voluntary		£12.05 per week
Class 4* Self employed on profits		
£5,715 - £43,875	8%/**	
Excess over £43,875	1%/**	

*Rates increase by 1% from 6 April 2011

**Exemption applies if state retirement age was reached by 6 April 2010