

Capital Gains Tax

	2009-10	2008-09
Tax rate	18%	18%
Annual exemption - individual	£10,100	£9,600
- Settlement	£5,050	£4,800

Transfers between spouses and civil partners living together are exempt

Entrepreneur relief

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

Inheritance Tax

	2009-10	2008-09
Nil rate band	£325,000	£312,000
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. On the transfer of residential property, the stamp duty land tax is:

Value up to £175,000*	nil
Over £175,000* - £250,000	1%
Over £250,000 - £500,000	3%
Over £500,000	4%

*until 31 December 2009, and £150,000 at all times for non-residential property

Selected Rates

	£
Basic Retirement Pension - single person	95.25
- married couple (wife not a contributor)	152.30
Child Benefit - first eligible child (from January 2009)	20.00
- Each subsequent child	13.20

Statutory Pay Rates average weekly pay £95 or over:

Sick (SSP) Standard rate	79.15
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Maternity (SMP)

90% of average weekly pay	first 6 weeks
Max. £123.06 min. 90% average weekly pay	next 33 weeks
Minimum rate	78.30

Adoption (SAP):

Paternity (SPP):	39 weeks
SAP/SPP - 90% of average weekly pay	one week or fortnight
Max. £123.06. Min. £95.00	

Example Rates: from 6 April 2008

Jobseekers Allowance - single person (25 & over)	60.50
- Couples and civil partnerships (both aged 18 or over)	94.95

National Minimum Wage

Age	over 22	18-21	16 and 17
From October 2007	£5.52 p.h.	£4.60 p.h.	£3.40 p.h.
From October 2008	£5.73 p.h.	£4.77 p.h.	£3.53 p.h.

Key Dates & Deadlines

	2009-10	2008-09
Income Tax and Class 4 NIC		
1st payment on account	31 January 2010	2009
2nd payment on account	31 July 2010	2009
Balancing payment	31 January 2011	2010
Capital Gains Tax	31 January 2011	2010
Corporation Tax	9 months and one day after the end of accounting period (or by instalments if large company)	

2008-09 Returns Filing/Issuing Deadlines

19 May 2009	P14, P35, P38, P38A, and CIS36
31 May 2009	Issue P60s to employees
6 July 2009	P9D, P11D and P11D (b), and appropriate copies to employees
31 October 2009	Self Assessment Tax return paper version
31 January 2010	Self Assessment Tax Return online

2008-09 Class 1A NICs on Relevant Benefits

19 July 2009	Payment due
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2009 Budget Day Edition.

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



Accountants & Business Advisers

NEWBURY	01635 35255
OXFORD	01865 200500
READING	0118 959 0261
HENLEY	01491 572565

info@jamescowper.co.uk
www.jamescowper.co.uk

TAX DATA 2009/10

a different perspective, a broader view

Income Tax

	2009/10	2008/09
Basic rate band - from £0 to	£37,400	£34,800
Starting rate limit for savings income	£2,440	£2,320
Basic rate	20%	20%
Dividend ordinary rate*	10%	10%
Higher rate- income over	£37,400	£34,800
Higher tax rate	40%	40%
Interest Income Within starting rate band	10%	10%
Within basic rate band	20%	20%
Dividend upper rate*	32.5%	32.5%

Allowances that reduce Taxable Income

Personal allowances (PA) - under 65	£6,475	£6,035
- 65 to 74	£9,490	£9,030
- 75 and over	£9,640	£9,180
The age-related allowances are progressively withdrawn if income exceeds	£22,900	£21,800
Minimum PA	£6,475	£6,035

Ages are as at the end of the tax year

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%	20%

*10% tax credit - basic rate taxpayer pays nil tax

**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 £245,000 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	50
Lifetime allowance charge- lump sum paid 55%- monies retained	25%
On cumulative benefits exceeding	£1,750,000*
Maximum tax- free lump sum	25%

*Subject to transitional protection for excess amount

ISAs: Overall investment limit	£7,200	£10,200 (aged 50+)
Including cash maximum of	£3,600	£5,100 (aged 50+)

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 135 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 petrol 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 £500. ■ 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: Advisory rates for employee private mileage reimbursement or employer reimbursement of business mileage are published by HM Revenue and Customs from time to time. (last updated 1 January 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 **£16,900**. 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 December 2008

CO ₂ In g/km	VAT on charge	CO ₂ in g/km	VAT on charge	CO ₂ in g/km	VAT on charge
120 or less	£18.90	160	£37.65	200	£52.80
125	£28.35	165	£39.60	205	£54.75
130	£28.35	170	£41.40	210	£56.70
135	£28.35	175	£43.35	215	£58.50
140	£30.15	180	£45.30	220	£60.45
145	£32.10	185	£47.10	225	£62.40
150	£33.90	190	£49.05	230	£64.20
155	£35.85	195	£50.85	235 or more	£66.15

Corporation Tax

Financial Year to		31 March 2010	31 March 2009
Taxable Profits	First £300,000	21%	21%
	Next £1,200,000	29.75%	29.75%
	Over £1,500,000	28%	28%

Main Capital Allowances

Motor cars		20%	On reducing balance
	CO ₂ emissions above 160g/km	10%	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 110g/km		100%	First year allowance
Annual Investment Allowance*	First £50,000 qualifies at	100%	of most expenditure

*plus 40% first year allowance from April 09

Value Added Tax

Standard Rate	15%*
VAT Fraction	3/23

Taxable Turnover Limits

Registration - last 12 months or next 30 days over	£68,000
Deregistration- next year under	£66,000
Annual Accounting Scheme	£1,350,000
Cash Accounting Scheme	£1,350,000
Flat Rate Scheme	£150,000

*The standard rate of VAT was reduced to 15% with effect from 1 December 2008. The standard rate will revert to 17.5% on 1 January 2010.

National Insurance Contributions

Class 1 (not contracted out)	Employer	Employee
Lower earnings limit		£95
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
Limit of not earning for 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%	

*Exemption applies if state retirement age was reached by 6 April 2009