

# 2009/10 Tax Tables



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## EMPLOYEE SHARE SCHEMES LIMITS

08-10

|  |                         |          |
|--|-------------------------|----------|
| Share incentive plans                        | Employer contributions  | £3,000   |
|  | Employer matching (2:1) | £3,000   |
|  | Employee                | £1,500   |
| Enterprise management incentive option value |                         | £120,000 |
| Approved share option schemes option value   |                         | £30,000  |
| Savings-related share options per month      |                         | £250     |

## CAR BENEFIT FOR EMPLOYEES

Taxable amount based on car's list price when new up to £80,000

Charge varies according to CO<sub>2</sub> emissions in grams per kilometre

| CO <sub>2</sub><br>g/km | % of price<br>08-10 | CO <sub>2</sub><br>g/km | % of price<br>08-10 | CO <sub>2</sub><br>g/km | % of price<br>08-10 |
|-------------------------|---------------------|-------------------------|---------------------|-------------------------|---------------------|
| 120 or less             | 10                  | 170-4                   | 22                  | 210-4                   | 30                  |
| 121-139                 | 15                  | 175-9                   | 23                  | 215-9                   | 31                  |
| 140-4                   | 16                  | 180-4                   | 24                  | 220-4                   | 32                  |
| 145-9                   | 17                  | 185-9                   | 25                  | 225-9                   | 33                  |
| 150-4                   | 18                  | 190-4                   | 26                  | 230-4                   | 34                  |
| 155-9                   | 19                  | 195-9                   | 27                  | 235 & over              | 35                  |
| 160-4                   | 20                  | 200-4                   | 28                  |                         |                     |
| 165-9                   | 21                  | 205-9                   | 29                  |                         |                     |

Further reductions may apply for LPG, bi-fuel, E85 hybrid and electric cars

**Diesels** not meeting Euro IV or registered after 31 December 2005:

add 3% subject to maximum charge of 35%

|                               |              |              |
|-------------------------------|--------------|--------------|
| <b>Vans – for private use</b> | <b>09-10</b> | <b>08-09</b> |
| Chargeable amount             | £3,000       | £3,000       |

No charge if private use is limited to journeys between home and work

## FUEL BENEFIT

|  |              |              |
|--|--------------|--------------|
|  | <b>09-10</b> | <b>08-09</b> |
| Multiply the CO <sub>2</sub> % used for the car benefit by | £16,900      | £16,900      |
| Vans – flat charge   | £500         | £500         |

## COMPANY CARS – ADVISORY FUEL RATES from 1/1/09

| Engine size        | Petrol | Diesel | LPG |
|--------------------|--------|--------|-----|
| 1,400cc or less    | 10p    | 11p    | 7p  |
| 1,401cc to 2,000cc | 12p    | 11p    | 9p  |
| Over 2,000cc       | 17p    | 14p    | 12p |

## TAX-FREE MILEAGE ALLOWANCE – OWN VEHICLE 08-10

|             |                                  |                    |                       |
|-------------|----------------------------------|--------------------|-----------------------|
| <b>Cars</b> | Up to 10,000 business miles: 40p | <b>Motorcycles</b> | 24p per business mile |
|             | Over 10,000 business miles: 25p  | <b>Bicycles</b>    | 20p per business mile |

## NATIONAL INSURANCE CONTRIBUTIONS

### Class 1 Employee Not Contracted-Out of State Second Pension (S2P)

|                         | 09-10    |          | 08-09    |          |
|-------------------------|----------|----------|----------|----------|
|                         | Employee | Employer | Employee | Employer |
| NIC rate                | 11%      | 12.8%    | 11%      | 12.8%    |
| No NICs on the first    | £110 pw  | £110 pw  | £105 pw  | £105 pw  |
| NICs charged up to      | £844 pw  | No limit | £770 pw  | No limit |
| 1% NIC on earnings over | £844 pw  | N/A      | £770 pw  | N/A      |
| Certain married women   | 4.85%    | 12.8%    | 4.85%    | 12.8%    |

### Contracted-Out Rebate

|                       |                |      |                |      |
|-----------------------|----------------|------|----------------|------|
| Rebate on             | £95.01–£770 pw |      | £90.01–£770 pw |      |
| Salary-related scheme | 1.6%           | 3.7% | 1.6%           | 3.7% |
| Money-purchase scheme | 1.6%           | 1.4% | 1.6%           | 1.4% |
| Personal Pension      | No reduction   |      | No reduction   |      |

### Class 1A Employer 08-10 on car fuel benefits & most other taxable benefits: 12.8%

| Limits and Thresholds | 09-10  |         |         | 08-09  |         |         |
|-----------------------|--------|---------|---------|--------|---------|---------|
|                       | Weekly | Monthly | Annual  | Weekly | Monthly | Annual  |
| Lower earnings limit  | £95    | £412    | £4,940  | £90    | £390    | £4,680  |
| Earnings threshold    | £110   | £476    | £5,715  | £105   | £453    | £5,435  |
| Upper accrual point   | £770   | £3,337  | £40,040 | N/A    | N/A     | N/A     |
| Upper earnings limit  | £844   | £3,656  | £43,875 | £770   | £3,337  | £40,040 |

### Self-Employed

|                          | 09-10                 |            | 08-09                 |            |
|--------------------------|-----------------------|------------|-----------------------|------------|
| Class 2 Flat rate        | £2.40 pw              | £124.80 pa | £2.30 pw              | £119.60 pa |
| Small earnings exception | £5,075 pa             |            | £4,825 pa             |            |
| Class 4*                 |                       |            |                       |            |
| On profits:              | £5,715–£43,875 pa: 8% |            | £5,435–£40,040 pa: 8% |            |
|                          | Over £43,875 pa: 1%   |            | Over £40,040 pa: 1%   |            |

### Voluntary

|                   |           |            |          |            |
|-------------------|-----------|------------|----------|------------|
| Class 3 Flat rate | £12.05 pw | £626.60 pa | £8.10 pw | £421.20 pa |
|-------------------|-----------|------------|----------|------------|

\* Unless over state pension age on 6 April

## BASIC STATE PENSION

|                       | 09-10   |           | 08-09   |           |
|-----------------------|---------|-----------|---------|-----------|
|                       | Weekly  | Annual    | Weekly  | Annual    |
| Single person         | £95.25  | £4,953.00 | £90.70  | £4,716.40 |
| Dependant's addition  | £57.05  | £2,966.60 | £54.35  | £2,826.20 |
| Total married pension | £152.30 | £7,919.60 | £145.05 | £7,542.60 |

### Pension Credit – Standard Income Guarantee (09-10)

|  |                    |                     |
|--|--------------------|---------------------|
|  | Single: £130.00 pw | Married: £198.45 pw |
|--|--------------------|---------------------|

## CHILD TRUST FUND

|  |      |                     |        |
|--|------|---------------------|--------|
| Endowment: Initial and at age 7                    | £250 | Low income families | £500   |
| Annual contributions from family and friends up to |      |                     | £1,200 |

Children born after 31 August 2002

## INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

| Maximum Investment Component | 09-10             | 08-09  |
|------------------------------|-------------------|--------|
| Cash                         | £3,600 (£5,100*)  | £3,600 |
| Stocks & Shares (balance to) | £7,200 (£10,200*) | £7,200 |

\* From 6 October 2009, higher limits apply only if born before 6 April 1960

## INHERITANCE TAX

|   | 09-10    | 08-09    |
|---|----------|----------|
| Nil-rate band*  | £325,000 | £312,000 |
| Rate of tax on excess   | 40%      | 40%      |
| Lifetime transfers to and from certain trusts                               | 20%      | 20%      |
| Overseas domiciled spouse/civil partner exemption                           | £55,000  | £55,000  |
| 100% relief: businesses, unlisted/AIM companies, certain farmland/buildings |          |          |
| 50% relief: certain other business assets                                   |          |          |

### Reduced tax charge on gifts within 7 years of death

| Years before death    | 0-3              | 3-4 | 4-5            | 5-6 | 6-7 |
|-----------------------|------------------|-----|----------------|-----|-----|
| % of death tax charge | 100              | 80  | 60             | 40  | 20  |
| Annual exempt gifts   | £3,000 per donor |     | £250 per donee |     |     |

\* Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the surviving spouse's/civil partner's death after 8 Oct 2007

## CAPITAL GAINS TAX

| Exemptions  | 09-10   | 08-09  |
|---|---------|--------|
| Individuals, estates, etc                                 | £10,100 | £9,600 |
| Trusts generally  | £5,050  | £4,800 |
| Chattels proceeds ( $\frac{5}{3}$ excess gain is taxable) | £6,000  | £6,000 |
| Rates   |         |        |
| Individuals   | 18%     | 18%    |
| Trusts and estates  | 18%     | 18%    |

### Entrepreneurs' Relief 08-10

$\frac{1}{3}$ ths of gain (effective tax rate of 10%). Lifetime limit: £1,000,000

For trading businesses & companies (min. 5% employee shareholding) held for 1 yr+

## STAMP DUTY LAND TAX based on consideration

| Residential                   | Commercial                   | Rate |
|-------------------------------|------------------------------|------|
| £175,000* or less             | £150,000 or less             | Nil  |
| Over £175,000* up to £250,000 | Over £150,000 up to £250,000 | 1%   |
| Over £250,000 up to £500,000  | Over £250,000 up to £500,000 | 3%   |
| Over £500,000                 | Over £500,000                | 4%   |

\* From 1/1/10: £125,000 (or £150,000 for property in disadvantaged areas)

Stamp Duty (including SDRT): stocks and marketable securities 0.5%

No charge unless the duty exceeds £5

## CORPORATION TAX

| Profits £          | Effective rate<br>to 31/3/10 | Effective rate<br>to 31/3/09 |
|--------------------|------------------------------|------------------------------|
| 0–300,000          | 21%                          | 21%                          |
| 300,001–1,500,000  | 29.75%                       | 29.75%                       |
| 1,500,001 and over | 28%                          | 28%                          |

## MAIN CAPITAL AND OTHER ALLOWANCES

09-10

|  |             |                  |                  |
|--|-------------|------------------|------------------|
| Plant & machinery 100% annual investment allowance (first year)                            |             | £50,000          |                  |
| Plant & machinery expenditure in excess of £50,000 (first year)                            |             | 40%              |                  |
| Plant & machinery, patent rights, know-how (reducing balance) pa                           |             | 20%              |                  |
| Certain long-life assets, integral features of buildings (reducing balance) pa             |             | 10%              |                  |
| Industrial & agricultural buildings (straight line)  |             | 2%               |                  |
| Energy & water-efficient investments   |             | 100%             |                  |
| Qualifying flat conversions & business premises renovations                                |             | 100%             |                  |
| <b>Motor cars:</b> Expenditure on or after 1/4/09 (Corporation Tax) or 6/4/09 (Income Tax) |             |                  |                  |
| CO <sub>2</sub> emissions of g/km:   | 110 or less | 111–160          | 161 or more      |
| Capital allowance:   | 100%        | 20%              | 10%              |
|  | first year  | reducing balance | reducing balance |

|  |      |                 |      |
|--|------|-----------------|------|
| <b>Research &amp; Development:</b> Capital expenditure |      | 100%            |      |
| Revenue expenditure: small/medium companies            | 175% | large companies | 130% |

## VALUE ADDED TAX

|   |                                      |                                       |
|---|--------------------------------------|---------------------------------------|
| <b>Registration level from 1/5/09</b> £68,000 | Standard rate from 1/12/08–31/12/09: | 15%                                   |
| Standard rate from 1/1/10:                    | 17.5%                                | Reduced rate, eg on domestic fuel: 5% |
| Flat rate scheme turnover limit               |                                      | £150,000                              |
| Cash and annual accounting turnover limit     |                                      | £1,350,000                            |

## MAIN DUE DATES FOR TAX PAYMENT

### Income Tax and Capital Gains Tax – Self-assessment

|                        |   |   |
|------------------------|---|---|
| 31 January in tax year | } | • Normally 50% of previous year's income tax, less tax deducted at source |
| Following 31 July      |   |   |
| Following 31 January   |   | • Balance of income tax and all CGT                                       |

|   |  |
|---|--|
| <b>Inheritance Tax</b> On death:        | normally 6 months after month of death |
| Lifetime transfer 6 April–30 September: | 30 April in following year             |
| Lifetime transfer 1 October–5 April:    | 6 months after month of transfer       |

### Corporation Tax

- Self-Assessment: 9 months after end of accounting period
- Payable by instalments where profits are £1.5m or over. Normally payable in 7th, 10th, 13th and 16th months after start of accounting period.
  - Growing companies: no instalments where profits are £10m or less and the company was not a large company for the previous year