



**BARNES ROFFE LLP**  
CHARTERED ACCOUNTANTS

**TAX  
FACTS  
2010/11**

**BR**

## INCOME TAX



Rates	10/11	09/10
Starting rate band of 10% on savings income up to*	£2,440	£2,440
Basic rate of 20% on income up to	£37,400	£37,400
Higher rate of 40% on income	£37,401– £150,000	£37,401 and over
Additional rate of 50% on income over	£150,000	N/A
Dividends for:		
Basic rate taxpayers	10%	10%
Higher rate taxpayers	32.5%	32.5%
Additional rate taxpayers	42.5%	N/A
Trusts: Standard rate band generally	£1,000	£1,000
Rate applicable to trusts: dividends	42.5%	32.5%
other income	50%	40%
Pre-owned assets tax minimum taxable as income	£5,000	£5,000

\*Not available if taxable non-savings income exceeds starting rate band

### Main Personal Allowances and Reliefs

Personal (basic)	£6,475	£6,475
Personal allowance reduced by 50% of income over	£100,000	N/A
Personal (65–74)	£9,490	£9,490
Personal (75 & over)	£9,640	£9,640
Married/civil partners (minimum) at 10%†	£2,670	£2,670
Married/civil partners (75 and over) at 10%	£6,965	£6,965
Age-related reliefs, excess over basic relief reduced by 50% of income over	£22,900	£22,900

†Where at least one spouse/civil partner was born before 6 April 1935

### Venture Capital Trust at 30%

Maximum investment	£200,000	£200,000
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### Enterprise Investment Scheme (EIS) at 20%

Maximum investment	£500,000	£500,000
EIS capital gains re-investment relief	No limit	No limit

### Non-domicile Remittance Basis Charge

For adult non-UK domiciliary after UK residence in 7 or more of the previous 9 tax years	£30,000	£30,000
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## REGISTERED PENSIONS



	10/11	09/10
Lifetime allowance*	£1,800,000	£1,750,000
Annual allowance	£255,000	£245,000
Special annual allowance where relevant income is £130,000 or more	min. £20,000 max. £30,000	£20,000 £30,000
Special annual allowance charge	20%–30%	20%
Maximum relievable personal contribution	100% of relevant UK earnings or £3,600 if greater	
Maximum pension commencement lump sum*	25% of pension benefit value	
Lifetime allowance charge if excess drawn		as cash 55% as income 25%
Annual allowance charge on excess		40%

\*Subject to transitional protection for excess amount

## NATIONAL INSURANCE CONTRIBUTIONS



### Employed

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

	Employee	Employer
NIC rate	11%	12.8%
No NICs on the first	£110 pw	£110 pw
NICs charged at 11%/12.8% up to	£844 pw	No limit
1% NIC on earnings over	£844 pw	N/A
Certain married women	4.85%	12.8%

#### Contracted-Out Rebate

Rebate on	£97.01–£770 pw	
Salary-related scheme	1.6%	3.7%
Money-purchase scheme	1.6%	1.4%
Personal pension	No reduction	

#### Limits and Thresholds

	Weekly	Monthly	Annual
Lower earnings limit	£97	£421	£5,044
Earnings threshold	£110	£476	£5,715
Upper accrual point	£770	£3,337	£40,040
Upper earnings limit	£844	£3,656	£43,875

#### Class 1A Employer

On car and fuel benefits and most other taxable benefits	12.8%
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#### Self-Employed

<b>Class 2</b> Flat rate	£2.40 pw	£124.80 pa
Small earnings exception		£5,075 pa

#### Class 4 unless over state pension age on 6 April 2010

On profits	£5,715–£43,875 pa	8%
	Over £43,875 pa	1%

#### Voluntary

<b>Class 3</b> Flat rate	£12.05 pw	£626.60 pa
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## BASIC STATE PENSION



	Weekly	Annual
Single person	£97.65	£5,077.80
Dependant's addition	£58.50	£3,042.00
Total married pension	£156.15	£8,119.80

#### Pension Credit – standard minimum guarantee

Single	£132.60	£6,895.20
Couple	£202.40	£10,524.80

## STAMP DUTIES



#### Stamp Duty Land Tax based on consideration from 1/1/2010

Commercial property £150,000 or less	Nil
Commercial property over £150,000 up to £250,000	1%
Residential property £125,000* or less	Nil
Residential property over £125,000* up to £250,000	1%
All property over £250,000 up to £500,000	3%
All property over £500,000	4%

\*£150,000 for property in disadvantaged areas. £250,000 for first time buyers where completion is from 25/3/10 to 24/3/12

#### Stamp Duty (including Stamp Duty Reserve Tax)

Stocks and marketable securities	0.5%
No charge unless the duty exceeds £5	

## INDIVIDUAL SAVINGS ACCOUNTS (ISAs)



Components	Maximum Investment	
	10/11	09/10
Cash	£5,100	£3,600 (£5,100*)
Stocks & Shares (balance to)	£10,200	£7,200 (£10,200*)

*\*Born before 6 April 1960*

## CAPITAL GAINS TAX



Tax Rate – Individuals	10/11	09/10
To 22/6/10	18%	18%
From 23/6/10 taxable income and post 22/6/10 gains		
To £37,400	18%	–
From £37,400	28%	–
Tax Rate – Trusts and Estates		
To 22/6/10	18%	18%
From 23/6/10	28%	–
Exemptions		
Individuals, estates, etc	£10,100	£10,100
Trusts generally	£5,050	£5,050
Chattels proceeds (restricted to $\frac{5}{3}$ proceeds exceeding limit)	£6,000	£6,000
Entrepreneurs' Relief – gains taxed at 10%		
Lifetime limit to 22/6/10	£2,000,000	£1,000,000
Lifetime limit from 23/6/10	£5,000,000	–
For trading businesses and companies (minimum 5% employee or director shareholding) held for at least one year		

## INHERITANCE TAX



	10/11	09/10			
Nil-rate band*	£325,000	£325,000			
Rate of tax on excess	40%	40%			
Lifetime transfers to and from certain trusts	20%	20%			
Relief for businesses, unlisted and AIM companies, certain farmland/buildings	100%	100%			
Relief for certain other business assets	50%	50%			
Exemption for overseas domiciled spouse/civil partner	£55,000	£55,000			
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*

## CORPORATION TAX



Profits	Effective Rate To 31/3/11	Effective Rate To 31/3/10
£0–£300,000	21%	21%
£300,001–£1,500,000	29.75%	29.75%
£1,500,001 and over	28%	28%

## VALUE ADDED TAX



Standard rate from 4/1/11	20%
Standard rate from 1/1/10 – 3/1/11	17.5%
Standard rate to 31/12/09	15%
Reduced rate, eg on domestic fuel	5%
Registration level from 1/4/10	£70,000
Flat rate scheme turnover limit	£150,000
Cash and annual accounting schemes turnover limit	£1,350,000

## CARS AND CAR BENEFITS



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> Emissions g/km	Petrol or Pre-2006 Euro IV diesel engine %	Other diesel engines %	Hybrid petrol/ electric engine %	E85, LPG or dual LPG & petrol %
75 or less	5	8	5	5
76–120	10	13	10	10
121–134	15	18	12	13
135–139	16	19	13	14
140–144	17	20	14	15
145–149	18	21	15	16
150–154	19	22	16	17
155–159	20	23	17	18
160–164	21	24	18	19
165–169	22	25	19	20
170–174	23	26	20	21
175–179	24	27	21	22
180–184	25	28	22	23
185–189	26	29	23	24
190–194	27	30	24	25
195–199	28	31	25	26
200–204	29	32	26	27
205–209	30	33	27	28
210–214	31	34	28	29
215–219	32	35	29	30
220–224	33	35	30	31
225–229	34	35	31	32
230 & over	35	35	32	33

- Euro IV diesel cars registered before 1/1/06 are treated as petrol cars. Euro IV diesel cars registered from 2006 are treated as other diesels
- E85, LPG or dual LPG & petrol: The %age of list price applies to cars made or converted before type approval. The petrol scale applies to LPG/petrol cars converted after type approval but the cost of conversion is disregarded
- From 6 April 2010 no taxable benefit for zero emissions cars, incl. electric only

### Fuel Benefits – taxable amount for private use

Multiply the CO<sub>2</sub>% used for the car benefit by £18,000  
Min. charge at 10% £1,800      Max. charge at 35% £6,300

## VANS – TAXABLE AMOUNTS FOR PRIVATE USE



Van: £3,000      Fuel: £550

No charge if private use is limited to journeys between home and work. From 6 April 2010, no charge on zero emissions vans including electric only



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