



BARNES ROFFE LLP
CHARTERED ACCOUNTANTS

**TAX
FACTS
2010/11**

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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

Class 2 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

Class 3 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	10/11	09/10
Individuals, trusts and estates	18%	18%

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

Lifetime limit	£2,000,000	£1,000,000
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$\frac{4}{9}$ ths of gain (effective tax rate of 10%). 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 2007*

VALUE ADDED TAX



Standard rate from 1/1/10	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

CORPORATION TAX



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

CARS AND CAR BENEFITS



Taxable amount based on car's list price when new up to £80,000
Charge varies according to CO₂ emissions in grams per kilometre

CO ₂ 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 ₂ % used for the car benefit by	£18,000
Minimum charge at 10%	£1,800
Maximum charge at 35%	£6,300

Company Cars – advisory fuel rates from 1/12/09

Engine size	Petrol	Diesel	LPG
1,400cc or less	11p	11p	7p
1,401cc to 2,000cc	14p	11p	8p
Over 2,000cc	20p	14p	12p

Use of Own Vehicle – tax-free mileage per business mile

Cars Up to 10,000 business miles	40p	Motorcycles	24p
Over 10,000 business miles	25p	Bicycles	20p

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 incl. electric only



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