



BARNES ROFFE LLP
CHARTERED ACCOUNTANTS



Barnes Roffe Guide Ebook

Barnes Roffe Tax Tables 2003 - 2009

Contents Page

1.0 Tax Facts 2008/9

- 1.1 Basic State Pension
- 1.2 Capital Gains Tax
- 1.3 Car Benefit for Employees
- 1.4 Fuel Benefit
- 1.5 Child Trust Fund
- 1.6 Company Cars
- 1.7 Advisory Fuel Rates
- 1.8 Corporation Tax
- 1.9 Employee Share Schemes
- 1.10 Income Tax
- 1.11 Individual Savings Accounts
- 1.12 Inheritance Tax
- 1.13 Main Capital Allowances
- 1.14 Main Tax Due Dates
- 1.15 Main Personal Allowances
- 1.16 National Insurance
- 1.17 Registered Pensions
- 1.18 Stamp Duties
- 1.19 Tax-Free Mileage Allowance
- 1.20 Value Added Tax
- 1.21 Tax Tables PDF (make into separate link from this eBook)

2.0 Tax Facts 2007/8

- 2.1 Basic State Pension
- 2.2 Capital Gains Tax
- 2.3 Car Benefit for Employees
- 2.4 Fuel Benefit
- 2.5 Child Trust Fund
- 2.6 Company Cars & Fuel Rates
- 2.7 Corporation Tax
- 2.8 Employee Share Schemes
- 2.9 Income Tax
- 2.10 Individual Savings Accounts
- 2.11 Inheritance Tax
- 2.12 Main Capital Allowances
- 2.13 Main Tax Due Dates
- 2.14 Main Income Tax Reliefs
- 2.15 National Insurance
- 2.16 Registered Pensions
- 2.17 Stamp Duties
- 2.18 Tax-Free Mileage Allowance
- 2.19 Value Added Tax
- 2.20 Tax Tables PDF (make into separate link from this eBook)

3.0 Tax Facts 2006/7

- 3.1 Basic State Pension
- 3.2 Capital Gains Tax
- 3.3 Car Benefit
- 3.4 Car Fuel
- 3.5 Child Trust Fund
- 3.6 Corporation Tax
- 3.7 Employee Share Schemes
- 3.8 Income Tax Rates
- 3.9 Individual Savings Account
- 3.10 Inheritance Tax
- 3.11 Main Capital Allowances
- 3.12 Main Tax Due Dates
- 3.13 Main Income Tax Reliefs
- 3.14 National Insurance
- 3.15 Personal Pensions
- 3.16 Stamp Duty
- 3.17 Tax-Free Mileage
- 3.18 Value Added Tax
- 3.19 Tax Tables PDF (make into separate link from this eBook)

4.0 Tax Facts 2005/6

- 4.1 Basic State Pension
- 4.2 Capital Gains Tax
- 4.3 Car Benefit
- 4.4 Car Fuel
- 4.5 Child Trust Fund
- 4.6 Corporation Tax
- 4.7 Employee Share Schemes
- 4.8 Income Tax Rates
- 4.9 Individual Savings Account
- 4.10 Inheritance Tax
- 4.11 Main Capital Allowances
- 4.12 Main Tax Due Dates
- 4.13 Main Income Tax Reliefs
- 4.14 National Insurance
- 4.15 Personal Pensions
- 4.16 Stamp Duty
- 4.17 Tax-Free Mileage
- 4.18 Value Added Tax
- 4.19 Tax Tables PDF (make into separate link from this eBook)

5.0 Tax Facts 2004/5

- 5.1 Basic State Pension
- 5.2 Capital Gains Tax
- 5.3 Car Benefit
- 5.4 Car Fuel
- 5.5 Child Trust Fund
- 5.6 Corporation Tax
- 5.7 Employee Share Schemes
- 5.8 Income Tax Rates
- 5.9 Individual Savings Account
- 5.10 Inheritance Tax
- 5.11 Main Capital Allowances
- 5.12 Main Tax Due Dates
- 5.13 Main Income Tax Reliefs
- 5.14 National Insurance
- 5.15 Personal Pensions
- 5.16 Stamp Duty
- 5.17 Tax-Free Mileage
- 5.18 Value Added Tax

6.0 Tax Facts 2003/4

- 6.1 Income Tax Rates
- 6.2 Personal Pensions & Retirement Annuities
- 6.3 Car Benefit
- 6.4 National Insurance
- 6.5 Capital Gains Tax
- 6.6 Inheritance Tax
- 6.7 Corporation Tax
- 6.8 Value Added Tax
- 6.9 Key Assessment Dates

1.0 Tax Tables 2008/2009

1.1 Basic State Pension

	2008/09		2007/08	
	Weekly	Annual	Weekly	Annual
Single person	£90.70	£4,716.40	£87.30	£4,539.60
Dependant's addition	£54.35	£2,826.20	£52.30	£2,719.60
Total married pension	£145.05	£7,542.60	£139.60	£7,259.20
Pension Credit - Standard Income Guarantee 2008/09				
Single	£124.05	£6,450.60		
Married	£189.35	£9,846.20		

1.2 Capital Gains Tax

Exemptions	2008/09	2007/08
Individuals, estates, etc	£9,600	£9,200
Trusts generally	£4,800	£4,600
Chattels proceeds ($\frac{5}{3}$ excess gain is taxable)	£6,000	£6,000
Rates		
Individuals	18%	10%, 20% or 40%
Trusts and estates	18%	40%

Entrepreneurs' Relief 2008/09:

4/9ths of business gain (effective tax rate of 10%). Lifetime limit: £1,000,000
 For trading businesses and companies (min. 5% employee/director shareholding)
 held for at least one year

Taper Relief for 2007/08

Percentage of gain chargeable

Years owned	1	2	3	4	5	6	7	8	9	10
Business Assets	50	25	25	25	25	25	25	25	25	25
Other Assets*	100	100	95	90	85	80	75	70	65	60

* One year's extra relief for other assets owned before 17/3/98

1.3 Car Benefit for Employees

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 g/km	08-09	% of price	07-08
120 or less	10		15
121-139	15		15
140-4	16		15
145-9	17		16
150-4	18		17
155-9	19		18
160-4	20		19
165-9	21		20
175-9	23		22
180-4	24		23
185-9	25		24
190-4	26		25
195-9	27		26
200-4	28		27
205-9	29		28
210-4	30		29
215-9	31		30
220-4	32		31
225-9	33		32
230-4	34		33
235-9	35		34
240+	35		35

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%.

Vans for private use	2008/09	2007/08
Chargeable amount	£3,000	£3,000

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

1.4 Fuel Benefit

	2008/09	2007/08
Multiply the CO ₂ percentage used for the car benefit by	£16,900	£14,400
Vans – flat charge	£500	£500

1.5 Child Trust Fund

Children born after 31 August 2002

Annual contributions from family and friends up to:
£1,200

1.6 Company Cars

Advisory Fuel Rates from 1/1/08

Engine Size	Petrol	Diesel	LPG
1,400cc or less	11p	11p	7p
1,401cc to 2,000cc	13p	11p	8p
Over 2,000cc	19p	14p	11p

1.7 Advisory Fuel Rates

Advisory Fuel Rates from 1/1/08

Engine Size	Petrol	Diesel	LPG
1,400cc or less	11p	11p	7p
1,401cc to 2,000cc	13p	11p	8p
Over 2,000cc	19p	14p	11p

1.8 Corporation Tax

Profits £	Effective rate to 31/3/09	Effective rate to 31/3/08
0-300,000	21%	20%
300,001-1,500,000	29.75%	32.5%
1,500,001 and over	28%	30%

1.9 Employee Share Schemes

Share incentive plans	2008/09	2007/08
Employer contribution	£3,000	£3,000
Employee contribution	£1,500	£1,500
Employer matching (2:1) contribution	£3,000	£3,000
Enterprise management incentive option value	£120,000	£100,000
Savings-related share options per month	£250	£250
Approved share option schemes	£30,000	£30,000

1.10 Income Tax

Rates	2008/09	2007/08
Starting rate of 10% on first	£2,320*	£2,230
Income to which starting rate applies	Savings	All
Basic rate on earned, pensions and property income	20%	22%
Basic rate on savings income	20%	20%
Higher rate of 40% on income over**	£34,800	£34,600
Dividends for:		
basic rate taxpayers	10%	10%
higher rate taxpayers	32.5%	32.5%
Trusts:		
standard rate band generally	£1,000	£1,000
dividends (rate applicable to trusts)	32.5%	32.5%
other income (rate applicable to trusts)	40%	40%

Pre-owned assets tax (£5,000 minimum taxable)

As income

*Only applicable where taxable non-savings income is under £2,320

** Revised on 13 May 2008 by a reduction of £1,200 in the previously announced band of £36,000. Please refer to the [«Main Personal Allowances page»](#) for details of compensating changes to the personal allowance.

1.11 Individual Savings Account

Maximum Investment Component	2008/09	2007/08	
		Mini-ISA	Maxi-ISA
Cash	£3,600	£3,000	£3,000
Stocks & shares	balance up to £7,200	£4,000	balance up to £7,000

1.12 Inheritance Tax

	2008/09	2007/08
Nil-rate band*	£312,000	£300,000
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

*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

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	

1.13 Main Capital Allowances

Plant & machinery 100% annual investment allowance (first year)	£50,000
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)	3%
Energy & water- efficient investments	100%
Qualifying flat conversions & business premises renovations	100%
Motor cars: CO ₂ emissions of 110g/km or less	
	100%
CO ₂ emissions of 111 - 165g/km	20%
CO ₂ emissions of 166g/km or more	10%
R&D:	
capital expenditure	100%
revenue expenditure – small/medium-size firms	175%
– large firms	130%

1.14 Main Tax Due Dates

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
31 July following tax year	
Following 31 January	Balance of income tax and all CGT
Inheritance Tax	
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	
Small and medium-sized companies: 9 months after accounting period	
Large companies (those paying tax at 28%/30%): Quarterly instalments normally payable in 7th, 10th, 13th, 16th months after the start of the accounting period	

Growing companies avoid instalments where profits are £10m or less and the company was not large for the previous year

1.15 Main Personal Allowances

	2008/09	2007/08
Personal (basic)**	£6,035	£5,225
Personal (65-74)	£9,030	£7,550
Personal (75 & over)	£9,180	£7,690
Married couples/civil partners (minimum) at 10%*	£2,540	£2,440
Married couples/civil partners (under 75) at 10%*	£6,535	£6,285
Married couples/civil partners (75+) at 10%	£6,625	£6,365
Age-related reliefs reduced by 50% of income over	£21,800	£20,900
Blind persons	£1,800	£1,730
Rent-a-room tax-free income	£4,250	£4,250
Venture capital trust (VCT) at 30%	£200,000	£200,000
Enterprise investment scheme (EIS) at 20%	£500,000	£400,000
EIS eligible for capital gains tax re-investment relief		No limit

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

** Revised on 13 May 2008 by an increase of the basic personal allowance of £600 to £6,035. Please refer to [«The Income Tax page»](#) for details of compensating changes to the basic rate of tax band.

Non-domicile charge:

Charge for adult non-UK domiciliary after UK residence in at least 7 of the previous 9 tax years:

£30,000 -

1.16 National Insurance

National Insurance Contributions

Class 1 Employees Not Contracted-Out of State Second Pension (S2P)				
	2008/09		2007/08	
	Employee	Employer	Employee	Employer
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£105pw	£105 pw	£100 pw	£100 pw
NICs charged at 11%/12.8% up to	£770 pw	No Limit	£670 pw	No Limit
1% NIC on earnings over	£770 pw	N/A	£670 pw	N/A
Certain married women	4.85%	12.8%	4.85%	12.8%
Contracted-out Rebate	2008/09		2007/08	
Rebate on	£90.01 - £770 pw		£87.01 - £670 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 2007-09 on car fuel benefits and most other taxable benefits: 12.8%

Limits and Thresholds	2008/09			2007/08		
	Weekly	Monthly	Annual	Weekly	Monthly	Annual
Lower earnings limit	£90	£390	£4,680	£87	£377	£4,524
NICs start	£105	£453	£5,435	£100	£435	£5,225
Upper earnings limit	£770	£3,337	£40,040	£670	£2,904	£34,840

Self-employed

		2008/09	2007/08
Class 2	Flat rate if earnings over	£2.30 pw £119.60 pa £4,825 pa	£2.20 pw £114.40 pa £4,635 pa
Class 4*	On profits	£5,435 - £40,040 pa: 8% Over £40,040 pa: 1%	£5,225 - £34,840 pa: 8% Over £34,840 pa: 1%

*Unless over state pension age on 6 April

Voluntary

Class 3	Flat rate	£8.10 pw £421.20 pa	£7.80 pw £405.60 pa
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1.17 Registered Pensions

	2008/09	2007/08
Lifetime allowance*	£1,650,000	£1,600,000
Annual allowance	£235,000	£225,000
Lifetime allowance charge	55% if excess is drawn as cash 25% if excess is drawn as income	
Annual allowance charge	40% of excess	
Maximum pension commencement lump sum*	25% of pension benefit value	
Maximum relievable personal contribution	100% of relevant UK earnings <i>or</i> £3,600 if greater	

* Subject to transitional protection for excess amount

1.18 Stamp Duties

Stamp Duty Land Tax

Consideration is £125,000* or less	Nil
Consideration is over £125,000* and up to £250,000	1%
Consideration is over £250,000 and up to £500,000	3%
Consideration is over £500,000	4%

* £150,000 for residential properties in disadvantaged areas and all non-residential properties

Stamp Duty (including SDRT):

Stocks and marketable securities (no charge unless the duty exceeds £5)	0.5%
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1.19 Tax-Free Mileage Allowance

Tax-Free Mileage Allowance – Own Vehicle 2007–09

Cars	Up to 10,000 business miles:	40p
	Over 10,000 business miles:	25p

Motorcycles	24p per business mile
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Bicycles	20p per business mile
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1.20 Value Added Tax

Registration level from 1/4/08:	£67,000
Standard rate	17.5%
Reduced rate, e.g. on domestic fuel	5%
Flat rate scheme turnover limit	£150,000
Cash and annual accounting turnover limit	£1,350,000

2.0 Tax Tables 2007/2008

2.1 Basic State Pension

	2007/08		2006/07	
	Weekly	Annual	Weekly	Annual
Single person	£87.30	£4,539.60	£84.25	£4,381.00
Dependant's addition	£52.30	£2,719.60	£50.50	£2,626.00
Total married pension	£139.60	£7,259.20	£134.75	£7,007.00
Pension Credit - Standard Income Guarantee 2008/09				
Single	£119.05	£6,190.60		
Married	£181.70	£9,448.40		

2.2 Capital Gains Tax

Exemptions	2007/08	2006/07
Individuals, estates, etc	£9,200	£8,800
Trusts generally	£4,600	£4,400
Chattels proceeds ($\frac{5}{3}$ excess gain is taxable)	£6,000	£6,000
Rates		
Individuals	As savings rates	
Trusts and estates	40%	40%

Taper Relief for 2006-08

Percentage of gain chargeable is based on the number of complete years an asset is owned after 5/4/98

Years owned	1	2	3	4	5	6	7	8	9	10
Business Assets	50	25	25	25	25	25	25	25	25	25
Other Assets*	100	100	95	90	85	80	75	70	65	60

* One year's extra relief for other assets owned before 17/3/98

2.3 Car Benefit for Employees

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 g/km	% of price 06-08
0-144	15
145-9	16
150-4	17
155-9	18
160-4	19
165-9	20
170-4	21
175-9	22
180-4	23
185-9	24
190-4	25
195-9	26
200-4	27
205-9	28
210-4	29
215-9	30
220-4	31
225-9	32
230-4	33
235-9	34
240+	35

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%.

Vans for private use	2007/08	2006/07
Chargeable amount	£3,000	£500*

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

*£350 if over 4 years old on 5/4/06

2.4 Fuel Benefit

	2007/08	2006/07
Multiply the CO ₂ percentage used for the car benefit by	£16,900	£14,400
Vans – flat charge	£500	£500

2.5 Child Trust Fund

Children born after 31 August 2002

Endowment

Initial and at age 7	£250
Low income families	£500
Extra annual contributions from family and friends up to	£1,200 pa

2.6 Company Cars & Fuel Rates

Advisory Fuel Rates from 1/2/07

Engine Size	Petrol	Diesel	LPG
1,400cc or less	9p	9p	6p
1,401cc to 2,000cc	11p	9p	7p
Over 2,000cc	16p	12p	10p

2.7 Corporation Tax

Profits £	Effective rate to 31/3/08	Effective rate to 31/3/07
0-300,000	20%	19%
300,001-1,500,000	32.5%	32.75%
1,500,001 and over	30%	30%

2.8 Employee Share Schemes

Share incentive plans		2006-08
Employer contribution		£3,000
Employee contribution		£1,500
Employer matching (2:1) contribution		£3,000
Enterprise management incentive option value		£100,000
Savings-related share options per month		£250
Approved share option schemes		£30,000

2.9 Income Tax

Rates		2007/08	2006/07
10% on first		£2,230	£2,150
22% (20% for savings income) on next		£32,370	£31,150
40% on income over		£34,600	£33,300
Dividends for:	basic rate taxpayers	10%	10%
	higher rate taxpayers	32.5%	32.5%
Trusts:	standard rate band generally	£1,000	£1,000
	dividends (rate applicable to trusts)	32.5%	32.5%
	other income (rate applicable to trusts)	40%	40%
Pre-owned assets tax (£5,000 minimum taxable)			As income

2.10 Individual Savings Account

Individual Savings Accounts (ISAs)

Maximum Investment Component	2006/08	
	Mini-ISA	Maxi-ISA
Cash	£3,000	£3,000
Stocks & shares	£4,000	balance up to £7,000

2.11 Inheritance Tax

	2007/08	2006/07			
Nil-rate band*	£300,000	£285,000			
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 used by qualifying businesses					
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	

2.12 Main Capital Allowances

Plant & machinery (P&M): first year	– medium sized firms	40%
	– small firms	50%
P&M, Patent Rights, Know-How		
		25% pa reducing balance
P&M Certain long life assets		6% pa reducing balance
P&M Energy & water-efficient assets		100%
Qualifying flat conversions		100%
Motor cars: generally		25% pa reducing balance max. £3,000
with CO ₂ emissions of 120g/km or less		100%
Industrial and agricultural buildings, hotels, docks, dredging etc.		
		4% straight line
R&D: capital expenditure		100%
revenue expenditure	– small/mid-sized firms	150%
	– large firms	125%

2.13 Main Tax Due Dates

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
31 July following tax year	

Following 31 January Balance of income tax and all CGT

Inheritance Tax

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

Small and medium-sized companies: 9 months after accounting period

Large companies (those paying tax at 28%/30%): Quarterly instalments normally payable in 7th, 10th, 13th, 16th months after the start of the accounting period

Growing companies avoid instalments where profits are £10m or less and the company was not large for the previous year

2.14 Main Income Tax Reliefs

	2007/08	2006/07
Personal (basic)**	£5,225	£5,035
Personal (65-74)	£7,550	£7,280
Personal (75 & over)	£7,690	£7,420
Married couples/civil partners (minimum) at 10%*	£2,440	£2,350
Married couples/civil partners (under 75) at 10%*	£6,285	£6,065
Married couples/civil partners (75+) at 10%	£6,365	£6,135
Age-related reliefs reduced by 50% of income over	£20,900	£20,100
Blind persons	£1,730	£1,660
Rent-a-room tax-free income	£4,250	£4,250
Venture capital trust (VCT) up to £200,000	30%	20%
Minimum holding period for income tax relief	5 years	5 years
EIS eligible for capital gains tax re-investment relief		No limit

2.15 National Insurance

Class 1 Employees Not Contracted-Out of State Second Pension (S2P)				
	2007/08			2006/07
	Employee	Employer	Employee	Employer
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£100 pw	£100 pw	£97 pw	£97 pw
NICs charged at 11%/12.8% up to	£670 pw	No Limit	£645 pw	No Limit
1% NIC on earnings over	£670 pw	N/A	£645 pw	N/A
Certain married women	4.85%	12.8%	4.85%	12.8%
Contracted-out Rebate				
	2007/08			2006/07
Rebate on	£87.01 - £670 pw			£84.01 - £645 pw
Salary-related scheme	1.6%	3.7%	1.6%	3.5%
Money-purchase scheme	1.6%	1.4%	1.6%	1.4%
Personal Pension	No reduction			No reduction

Class 1A Employer 2006-08 on car fuel benefits and most other taxable benefits: 12.8%

Limits and Thresholds	2007/08			2006/07		
	Weekly	Monthly	Annual	Weekly	Monthly	Annual
Lower earnings limit	£87	£377	£4,524	£84	£364	£4,368
NICs start	£100	£435	£5,225	£97	£420	£5,035
Upper earnings limit	£670	£2,904	£34,840	£645	£2,795	£33,540
Low earnings threshold – S2P	£13,000			£12,500		

Self-employed

		2008/09	2007/08
Class 2	Flat rate if earnings over	£2.20 pw £114.40 pa £4,635 pa	£2.10 pw £109.20 pa £4,465 pa
Class 4*	On profits	£5,225 - £34,840 pa: 8% Over £34,840 pa: 1%	£5,035 - £33,540 pa: 8% Over £33,540 pa: 1%

*Unless over state pension age on 6 April

Voluntary

Class 3	Flat rate	£7.80 pw £405.60 pa	£7.55 pw £392.20 pa
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2.16 Registered Pensions

	2007/08	2006/07
Lifetime allowance*	£1,600,000	£1,500,000
Annual allowance	£225,000	£215,000
Lifetime allowance charge	55% if excess is drawn as cash 25% if excess is drawn as income	
Annual allowance charge	40% of excess	
Maximum pension commencement lump sum*	25% of pension benefit value	
Maximum relievable personal contribution	100% of relevant UK earnings <i>or</i> £3,600 if greater	
* Subject to transitional protection for excess amount		

2.17 Stamp Duties

Stamp Duty Land Tax

Consideration is £125,000* or less	Nil
Consideration is over £125,000* and up to £250,000	1%
Consideration is over £250,000 and up to £500,000	3%
Consideration is over £500,000	4%

* £150,000 for residential properties in disadvantaged areas and all non-residential properties

Stamp Duty (including SDRT):

Stocks and marketable securities (no charge unless the duty exceeds £5)	0.5%
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2.18 Tax-Free Mileage Allowance

Tax-Free Mileage Allowance – Own Vehicle 2006–08

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

2.19 Value Added Tax

Registration level from 1/4/08:	£64,000
Standard rate	17.5%
Reduced rate, e.g. on domestic fuel	5%
Flat rate scheme turnover limit from 1/4/07	£150,000
Cash and annual accounting turnover limit	£1,350,000

3.0 Tax Tables 2006/2007

3.1 Basic State Pension

	06-07		05-06	
	Weekly	Annual	Weekly	Annual
Single person	£84.25	£4,381.60	£82.05	£4,266.60
Dependant's addition	£50.50	£2,262.00	£49.15	£2,555.80
Total married pension	£134.75	£7,007.00	£131.20	£6,822.40

Pension Credit - Standard Income Guarantee 06-07

Single: £114.05 pw	£5,930.60pa
Married: £174.05 pw	£9,050.60pa

3.2 Capital Gains Tax

Exemptions	06-07	05-06
Individuals, estates, etc.	£8,800	£8,500
Trusts generally	£4,400	£4,250
Chattels ($\frac{5}{3}$ taxable on excess gain proceeds)	£6,000	£6,000

Rates

Individuals	as savings rates	
Trusts and estates	40%	40%

Taper Relief for 04-06: Percentage of gain chargeable is based on the number of complete years an asset is owned after 5/4/98

Years owned	1	2	3	4	5	6	7	8	9	10
Business Assets	50	25	25	25	25	25	25	25	25	25
Other Assets*	100	100	95	90	85	80	75	70	65	60

* One year's extra relief for other assets owned before 17/3/98

3.3 Car Benefit for Employees

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 g/km	% of price 05-07	CO ₂ g/km	% of price 05-07	CO ₂ g/km	% of price 05-07
0-144	15	175-9	22	210-4	29
145-9	16	180-4	23	215-9	30
150-4	17	185-9	24	220-4	31
155-9	18	190-4	25	225-9	32
160-4	19	195-9	26	230-4	33
165-9	20	200-4	27	235-9	34
170-4	21	205-9	28	240+	35

Diesels not meeting Euro IV or registered after 31st December 2005, add 3% subject to maximum charge of 35%.

Vans - taxable amount for private use 05-07

Age under 4 years on 5 April: £500	Age 4 years and over on 5 April: £350
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No charge if private use is limited to journeys between home and work.

3.4 Car Fuel

Company Cars - Advisory Fuel Rates from 1/7/05

Engine Size	Petrol	Diesel	LPG
1,400cc or less	10p	9p	7p
1,401cc to 2,000cc	12p	9p	8p
Over 2,000cc	16p	13p	10p

3.5 Child Trust Fund

Children born after 31 August 2002

Initial endowment and at age 7:	£250
Low income families:	£500
Extra annual contributions from family and friends up to:	£1,200pa

3.6 Corporation Tax

Corporation Tax Rates

Profits	To 31/3/07	To 31/3/06
£0-£10,000	19%	Nil*
£10,001-£50,000	19%	23.75%*
£50,001-£300,000	19%	19%
£300,001-£1,500,000	32.75%	32.75%
Over £1,500,001	30%	30%

* Minimum 19% on profits distributed to non-corporate shareholders

3.7 Employee Share Schemes

	05-07
Share incentive plans	
Employer contribution	£3,000
Employee contribution	£1,500
Employer matching (2:1) contribution	£3,000
Enterprise management incentive option value	£100,000
Savings-related share options per month	£250
Approved share option schemes	£30,000

3.8 Income Tax Rates

Rates	06-07	05-06
10% on first	£2,150	£2,090
22% (20% for savings income) on next	£31,150	£30,310
40% on income over	£33,300	£32,400
Dividends for:		
basic rate taxpayers	10%	10%
higher rate taxpayers	32.5%	32.5%
Trusts:		
standard rate band generally	£1,000	£500
dividends (rate applicable to trusts)	32.5%	32.5%
other income (rate applicable to trusts)	40%	40%
Pre-owned assets tax (£5,000 minimum taxable)	As income	

3.9 Individual Savings Account

Maximum Investment	Maxi-ISA	Mini-ISA
Component	05-07	05-07
Cash	£3,000	£3,000
Stocks & shares	balance up to £7,000	£4,000

3.10 Inheritance Tax

	06-07	05-06
Nil-rate band	£285,000	£275,000
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, and certain farmland/buildings

50% relief: for certain other business assets used by qualifying businesses

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	

3.11 Main Capital Allowances

Plant and Machinery (P&M), Patent Rights, Know-How		*25%pa
Certain long-life P&M		*6% pa
P&M first year	medium firms:	40%
	small firms:	50% (05-06: 40%)
Enterprise zone buildings, R&D capital expenditure, energy/water-efficient P&M, qualifying flat conversions		100%
Motor cars		*25%pa, max £3,000 pa
Low emission cars**		100%
Industrial and agricultural buildings, hotels, docks, dredging etc		†4% pa
R&D revenue expenditure	small firms:	150%
	large firms:	125%

*Reducing balance †Straight line ** Cars with CO₂ emissions of 120g/km or less

3.12 Main Tax Due Dates

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
31 July following tax year	Normally 50% of previous year's income tax, less tax deducted at source
Following 31 January	Balance of income tax and all CGT

Inheritance Tax

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

Small and medium-sized companies: 9 months after accounting period
 Large companies (those paying tax at 30%): Quarterly instalments normally payable in 7th, 10th, 13th, 16th months after the start of the accounting period
 Growing companies avoid instalments where profits are £10m or less and the company was not large for the previous year

3.13 Main Income Tax Reliefs

	06-07	05-06
Personal (basic)	£5,035	£4,895
Personal (65-74)	£7,280	£7,090
Personal (75 & over)	£7,420	£7,220
Married/civil partners (minimum) at 10%*	£2,350	£2,280
Married/civil partners (under 75) at 10%*	£6,065	£5,905
Married/civil partners (75+) at 10%	£6,135	£5,975
Age-related reliefs reduced by 50% of income over	£20,100	£19,500
Blind person's allowance	£1,660	£1,610
Rent-a-room tax-free income	£4,250	£4,250
Venture capital trust (VCT) up to £200,000	30%	40%
Enterprise investment scheme (EIS) at 20%	£400,000	£200,000
EIS eligible for Capital Gains Tax re-investment relief	No limit	

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

3.14 National Insurance

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

	06-07		05-06	
	Employee	Employer	Employee	Employer
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£97 pw	£97 pw	£94 pw	£94 pw
NICs charged up to	£645 pw	No Limit	£630 pw	No Limit
1% NIC on earnings over	£645 pw	N/A	£630 pw	N/A
Certain married women	4.85%	As above	4.85%	As above

	06-07		05-06	
Contracted-out Rebate	£84.01 - £645 pw		£82.01 - £630 pw	
Rebate on	1.6%		1.6%	
Salary-related scheme	3.5%		3.5%	
Money-purchase scheme	1.0%		1.0%	
Personal Pension	No reduction		No reduction	

Limits and Thresholds	06-07			05-06		
	Weekly	Monthly	Annual	Weekly	Monthly	Annual
Lower earnings limit	£84	£364	£4,368	£82	£356	£4,264
NICs start	£97	£420	£5,035	£94	£408	£4,895
Upper earnings limit	£645	£2,795	£33,540	£630	£2,730	£32,760
Low earnings threshold - S2P			£12,500			£12,100

Class 1A Employer 05-07 most taxable benefits: 12.8%

Self-employed		06-07		05-06	
Class 2	Flat rate if earnings over	£2.10 pw £4,465 pa	£109.20 pa	£2.10 pw £4,345 pa	£109.20 pa
Class 4 unless over state retirement age on 6 April 2006	On profits	£5,035-£33,540 pa: 8%	£4,895-£32,760 pa: 8%	Over £33,540 pa: 1%	Over £31,720 pa: 1%
Voluntary Class 3	Flat rate	£7.55 pw £392.60 pa	£7.35 pw £382.20 pa		

3.15 Personal Pensions

06/07 'Simplified regime'

Lifetime allowance*	£1,500.00
Lifetime allowance charge	55% if excess is drawn as cash 25% if excess is drawn as income
Annual allowance	£215,000
Annual allowance charge	40% of excess
Max. retrievable personal contribution	100% of relevant UK earnings or £3,600 if greater

Max. tax-free cash*

* Subject to transitional protection for excess amount

05-06 max. Contributions as % of net relevant earnings (PP cap £105,600)

Age on 6 April	35 or less	36-45	46-50	51-55	56-60	61-74
Personal pension (PP)	17.5%	20.0%	25.0%	30.0%	35.0%	40.0%
Retirement annuity	17.5%	17.5%	17.5%	20.0%	22.5%	27.5%

3.16 Stamp Duties

Stamp Duties

Stamp Duty Land Tax from 23/3/06	
Price is £125,000* or less	Nil
Price is over £125,000* and up to £250,000	1%
Price is over £250,000 and up to £500,000	3%
Price is over £500,000	4%

* £150,000 for residential properties in disadvantaged areas and all non-residential properties

Stamp Duty (including SDRT): stocks and marketable securities	0.5%
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3.17 Tax-Free Mileage Allowance

Tax-Free Mileage Allowance - Own Vehicle 05-07

Cars	Up to 10,000 business miles:	40p
	Over 10,000 business miles:	25p

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Motorcycles 24p per business mile

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Bicycles 20p per business mile

3.18 Value Added Tax

Registration level from 01/4/06:	£61,000
Standard Rate	17.5%
Reduced rate, e.g. on domestic fuel	5%
Flat rate scheme turnover limit	£150,000
Cash* and annual accounting turnover limit	£1,350,000

* Increase in cash limit from £660,000 subject to EU approval

4.0 Tax Tables 2005/2006

4.1 Basic State Pension

Basic State Pension

	05-06		04-05	
	Weekly	Annual	Weekly	Annual
Single person	£82.05	£4,266.60	£79.60	£4,139.20
Dependant's addition	£49.15	£2,555.80	£47.65	£2,477.80
Total married pension	£131.20	£6,822.40	£127.25	£6,617.00

Pension Credit - Standard Income Guarantee 05-06

Single: £109.45 pw Married: £167.05 pw

4.2 Capital Gains Tax

Exemptions

	05-06	04-05
Individuals, estates, etc.	£8,500	£8,200
Trusts generally	£4,250	£4,100
Chattels ($\frac{5}{3}$ taxable on excess gain proceeds)	£6,000	£6,000

Rates

Individuals	As savings rates	
Trusts and estates	40%	40%

Taper Relief for 04-06: Percentage of gain chargeable is based on the number of complete years an asset is owned after 05.04.98.

Years owned	1	2	3	4	5	6	7	8	9	10
Business Assets	50	25	25	25	25	25	25	25	25	25
Other Assets*	100	100	95	90	85	80	75	70	65	60

* One year's extra relief for other assets owned before 17.03.98

4.3 Car Benefit for Employees

Taxable amount based on car's list price when new up to £80,000.
Charge varies according to CO₂ emissions in grams per kilometre.
The exact CO₂ figure is always rounded down to the nearest 5g/km.

CO ₂ g/km	% of price		CO ₂ g/km	% of price	
	05-06	04-05		05-06	04-05
0-144	15	15	195-9	26	25
145-9	16	15	200-4	27	26
150-4	17	16	205-9	28	27
155-9	18	17	210-4	29	28
160-4	19	18	215-9	30	29
165-9	20	19	220-4	31	30
170-4	21	20	225-9	32	31
175-9	22	21	230-4	33	32
180-4	23	22	235-9	34	33
185-9	24	23	240-4	35	34
190-4	25	24	245+	35	35

Diesels not meeting Euro IV, add 3% subject to maximum charge of 35%.

Vans - taxable amount for private use 04-06

Age under 4 years on 5 April: £500 Age 4 years and over on 5 April: £350

05-06 No charge if private use is limited to journeys between home and work.

4.4 Car Fuel

	04-06
Multiply the CO ₂ percentage used for the car benefit by:	£14,400
Minimum charge at 15%:	£2,160
Maximum charge at 35%:	£5,040

4.5 Child Trust Fund

Children born after 31 August 2002

Basic endowment:	£250
Low income families:	£500
Extra annual contributions from family and friends up to:	£1,200

4.6 Corporation Tax

Profits £	Effective rate to 31.03.06	Effective rate to 31.03.05
0-10,000	Nil*	Nil*
10,001-50,000	23.75%*	23.75%*
50,001-300,000	19%	19%
300,001-1,500,000	32.75%	32.75%
1,500,001 and over	30%	30%

*Minimum 19% on profits distributed to non-corporate shareholders

4.7 Employee Share Schemes

	04-06
Share incentive plans	
Employer contribution	£3,000
Employee contribution	£1,500
Employer matching (2:1) contribution	£3,000
Enterprise management incentive option value	£100,000
Savings-related share options per month	£250
Approved share option schemes	£30,000

4.8 Income Tax Rates

		05-06	04-05
10% on first		£2,090	£2,020
22% (20% for savings income) on next		£30,310	£29,380
40% on income over		£32,400	£31,400
Dividends for:	basic rate taxpayers	10%	10%
	higher rate taxpayers	32.5%	32.5%
Trusts:	basic rate band	£500	N/A
	dividends (rate applicable to trusts)	32.5%	32.5%
	other income (rate applicable to trusts)	40%	40%
Pre-owned assets tax (£5,000 minimum taxable)		As income	N/A

4.9 Individual Savings Account

Maximum Investment Component	Maxi-ISA		Mini-ISA	
	05-06	04-05	05-06	04-05
Cash	£3,000	£3,000	£3,000	£3,000
Insurance	N/A	£1,000	N/A	£1,000
Stocks & shares	balance up to £7,000		£4,000	£3,000

4.10 Inheritance Tax

	05-06	04-05
Nil-rate band	£275,000	£263,000
Rate of tax on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse exemption	£55,000	£55,000

100% relief for businesses, unlisted and AIM companies, and certain farmland

50% relief for certain other business assets used by qualifying businesses

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				

4.11 Main Capital Allowances

Plant and Machinery (P&M), Patent Rights, Know-How		*25%pa
Certain long-life P&M		*6% pa
P&M first year	medium firms: 40%	
	small firms: 40% (04-05: 50%)	
R&D revenue expenditure	small firms: 150%	
	large firms: 125%	
Enterprise zone buildings, R&D capital expenditure, energy/water-efficient P&M, qualifying flat conversions		100%
Motor cars		*25%pa, max £3,000 pa
Low emission cars		100%
Industrial and agricultural buildings, hotels, docks, dredging etc		†4% pa

*reducing balance †straight line

4.12 Main Tax Due Dates

Income Tax and Capital Gains Tax – Self-Assessment

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

Inheritance Tax

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 accounting period.

- Payable by instalments where profits are £1.5m or over. Normally payable in 7th, 10th, 13th, 16th months after the start of the accounting period.
- Growing companies: no instalments where profits are £10m or less and the company was small or medium-sized for the previous year.

4.13 Main Income Tax Reliefs

	05-06	04-05
Personal (basic)	£4,895	£4,745
Personal (65-74)	£7,090	£6,830
Personal (75 & over)	£7,220	£6,950
Married couple's [†] (minimum) at 10%*	£2,280	£2,210
Married couple's [†] (under 75) at 10%*	£5,905	£5,725
Married couple's [†] (75 & over) at 10%	£5,975	£5,795
Age-related reliefs reduced by 50% of income over	£19,500	£18,900
Child tax credit (CTC) - family element	£545	£545
CTC - family element baby addition	£545	£545
CTC usually reduced by 6.67% of joint income over	£50,000	£50,000
Childcare and childcare vouchers - weekly rate	£50	N/A
Blind person's allowance	£1,610	£1,560
Rent-a-room tax-free income	£4,250	£4,250
Venture capital trust (VCT) at effective 40%	£200,000	£200,000
Enterprise investment scheme (EIS) at 20%	£200,000	£200,000
EIS eligible for CGT re-investment relief	No limit	No limit

[†] And civil partnerships from 5 December 2005

* Where at least one claimant was born before 6 April 1935

4.14 National Insurance

Class 1 Employees Not Contracted-Out of State Second Pension

	05-06		04-05	
	Employee	Employer	Employee	Employer
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£94 pw	£94 pw	£91 pw	£91 pw
NICs charged up to	£630 pw	No Limit	£610 pw	No Limit
1% NIC on earnings over	£630 pw	N/A	£610 pw	N/A
Certain married women	4.85%	As Above	4.85%	As Above

	05-06		04-05	
Contracted-out Rebate	05-06		04-05	
Rebate on	£82.01 - £630 pw		£79.01 - £610 pw	
Salary-related scheme	1.6%	3.5%	1.6%	3.5%
Money-purchase scheme	1.6%	1.0%	1.6%	1.0%

Limit or Threshold	05-06			04-05		
	Weekly	Monthly	Annual	Weekly	Monthly	Annual
Lower earnings limit	£82	£356	£4,264	£79	£342	£4,108
NICs start	£94	£408	£4,895	£91	£395	£4,745
Upper earnings limit	£630	£2,730	£32,760	£610	£2,644	£31,720

Contracted-Out Rebate - Personal Pensions 05-06

Slice of earnings pa	£4,264-£12,100	£12,100-£27,800	£27,800-£32,760
S2P pension accrual	40%	10%	20%
Rebate	Double rate below*	Half rate below*	As rate below*

Age at 5 April 05	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39
Rebate % for 20% accrual	4.6	4.6	4.7	4.7	4.8	4.8	4.9	4.9	5.0	5.0	5.1	5.1	5.2	5.2	5.2
Age at 5 April 05	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54+
Rebate % for 20% accrual	5.3	5.3	5.4	5.6	5.7	5.9	6.1	6.3	6.5	6.7	7.3	8.0	9.0	10.2	10.5

*Plus tax relief on employee's contributions: 0.45%

Class 1A Employer 04-06

On car and fuel benefits and most other taxable benefits: 12.8%

Self-employed		05-06		04-05	
Class 2	Flat rate	£2.10 pw	£109.20 pa	£2.05 pw	£106.60 pa
	if earnings over		£4,345 pa		£4,215 pa
Class 4	On profits	£4,895-£32,760 pa: 8%		£4,745-£31,720 pa: 8%	
		Over £32,760 pa: 1%		Over £31,720 pa: 1%	
Voluntary					
Class 3	Flat rate	£7.35 pw	£382.20 pa	£7.15 pw	£371.80 pa

4.15 Personal Pensions

Maximum contributions based on net relevant earnings (NRE)

Personal Pensions				Retirement Annuities	
Age on 6 April	% NRE	05-06 £	04-05 £	Age on 6 April	% NRE
35 or less	17.5	18,480	17,850	35 or less	17.5
36-45	20.0	21,120	20,400	36-45	17.5
46-50	25.0	26,400	25,500	46-50	17.5
51-55	30.0	31,680	30,600	51-55	20.0
56-60	35.0	36,900	35,700	56-60	22.5
61-74	40.0	42,240	40,800	61-74	27.5
Contribution without NRE		3,600	3,600		
Pension earnings cap		105,600	102,000	No earnings cap	

4.16 Stamp Duties

Stamp Duty Land Tax

Price is £120,000* or less	Nil
Price is over £120,000 and up to £250,000	1%
Price is over £250,000 and up to £500,000	3%
Price is over £500,000	4%

*£150,000 exemption for residential property in disadvantaged areas and all non-residential properties

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

4.17 Tax-Free Mileage Allowance

Tax-Free Mileage Allowance — Own Vehicle 04-06

Cars Up to 10,000 business miles: 40p
Over 10,000 business miles: 25p

Motorcycles 24p per business mile

Bicycles 20p per business mile

4.18 Value Added Tax

Standard Rate	17.5%
Reduced rate, e.g. on domestic fuel	5%
Registration level from 01.04.05	£60,000
Cash and annual accounting turnover limit	£660,000
Flat rate scheme turnover limit	£150,000

5.0 Tax Tables 2004/2005

5.1 Basic State Pension

	04-05		03-04	
	Weekly	Annual	Weekly	Annual
Single person	£79.60	£4,139.20	£77.45	£4,027.40
Dependant's addition	£47.65	£2,477.80	£46.35	£2,410.20
Total married pension	£127.25	£6,617.00	£123.80	£6,437.60

Pension credit - standard income guarantee 04-05

Single: £105.45 pw Married: £160.95 pw

5.2 Capital Gains Tax

Exemptions	04-05	03-04
Individuals, personal representatives, etc.	£8,200	£7,900
Trusts generally	£4,100	£3,950
Chattels ($\frac{5}{3}$ taxable on excess gain proceeds)	£6,000	£6,000

Tax rate		
Individuals	As savings tax rates	
Estates and trusts	40%	34%

Taper Relief for 03-05: Percentage of gain chargeable is based on the number of complete years an asset is owned after 5.4.98.

Years owned	1	2	3	4	5	6	7	8	9	10
Business Assets	50	25	25	25	25	25	25	25	25	25
Other Assets*	100	100	95	90	85	80	75	70	65	60

* One year's extra relief for other assets owned before 17.3.98

5.3 Car Benefit for Employees

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

Charge varies according to CO₂ emissions in grams per kilometre

Emissions g/km	% of price		Emissions g/km	% of price	
	04-05	03-04		04-05	03-04
Under 150	15	15	225-229	31	29
150-154	16	15	230-234	32	30
155-159	17	15	235-239	33	31
160-164	18	16	240-244	34	32
165-169	19	17	245-249	35	33
170-174	20	18	250-254	35	34
175-179	21	19	255 & over	35	35
180-184	22	20			
185-189	23	21			
190-194	24	22			
195-199	25	23			
200-204	26	24			
205-209	27	25			
210-214	28	26			
215-219	29	27			
220-224	30	28			

Diesels not meeting Euro IV	Add 3% subject to maximum charge of 35%.
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Vans taxable amount for private use 03-05

Age under 4 years on 5 April:
£500

Age 4 years and over on 5 April: £350

5.4 Car Fuel

03-05

Multiply the CO ₂ percentage as used for the car benefit by:	£14,400
Minimum charge 15%:	£2,160
Maximum charge 35%:	£5,040

5.5 Child Trust Fund

Children born after 31st August 2002

Basic endowment:	£250
Low income families:	£500
Extra annual contributions from family and friends up to:	£1200

5.6 Corporation Tax

Profits £	Effective rate to 31.3.05	Profits £	Effective rate to 31.3.04
0-10,000	Nil*	0-10,000	Nil
10,001-50,000	23.75%*	10,001-50,000	23.75%
50,001-300,000	19%	50,001-300,000	19%
300,001-1,500,000	32.75%	300,001-1,500,000	32.75%
1,500,001 and over	30%	1,500,001 and over	30%

*Minimum 19% on profits distributed to non-corporate shareholders

5.7 Employee Share Schemes

	04-05	03-04
Share incentive plans		
Employer contribution	£3,000	£3,000
Employee contribution	£1,500	£1,500
Employer matching (2:1) contribution	£3,000	£3,000
Enterprise management incentive option value	£100,000	£100,000
Savings-related share options per month	£250	£250
Approved share option schemes	£30,000	£30,000

5.8 Income Tax Rates

		04-05	03-04
10% on first		£2,020	£1,960
22% (20% for savings income) on next		£29,380	£28,540
40% on income over		£31,400	£30,500
Dividends for:	basic rate taxpayers	10%	10%
	higher rate taxpayers	32.5%	32.5%
Discretionary trusts, etc:	dividends	32.5%	25%
	other income	40%	34%

5.9 Individual Savings Account

Individual Savings Accounts (ISA) 03-05

Maximum Investment	Maxi-ISA	Mini-ISA
Cash component	£3,000	£3,000
Insurance component	£1,000	£1,000
Stocks & shares component	balance up to £7,000	£3,000

TESSA-Only ISA: maximum reinvestment of capital from a TESSA £9,000 **TESSA** reinvestment must be within 6 months of maturity.

5.10 Inheritance Tax

	04-05	03-04
Nil-rate band	£263,000	£255,000
Rate of tax on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse exemption	£55,000	£55,000
<ul style="list-style-type: none"> Relief for businesses, unlisted and AIM companies, and certain let farmland 	100%	100%
<ul style="list-style-type: none"> Relief for certain other business assets 	50%	50%

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				

5.11 Main Capital Allowances

Plant and Machinery (P&M), Patent Rights, Know-How	*25%pa
Certain long-life P&M	*6% pa
P&M first year	50% (small firms) 40% (medium firms)
R&D revenue expenditure:	150% (small firms) 125% (large firms)
Enterprise zone buildings, R&D capital expenditure, qualifying flat conversions, energy/water-efficient P&M	100%
Motor cars	*25%pa, max £3,000 pa
Low emission cars	100%
Industrial and agricultural buildings, hotels, docks, dredging etc	**4% pa

*reducing balance **straight line

5.12 Main Tax Due Dates

Income Tax and Capital Gains Tax – Self-Assessment

31 Jan in tax year } Following 31 July	<ul style="list-style-type: none"> Normally 50% of previous year's income tax, less tax deducted at source
Following 31 Jan	<ul style="list-style-type: none"> Balance of income tax and all CGT

Inheritance Tax

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 accounting period.

- Payable by instalments where profits are £1.5m or over. Normally payable in 7th, 10th, 13th, 16th months after the start of the accounting period.
- Growing companies: no instalments where profits are £10m or less and the company was small or medium-sized for the previous year.

5.13 Main Income Tax Reliefs

	04-05	03-04
Personal (basic)	£4,745	£4,615
Personal (65-74)	£6,830	£6,610
Personal (75 & over)	£6,950	£6,720
Married couple's (basic) at 10%*	£2,210	£2,150
Married couple's (under 75) at 10% *	£5,725	£5,565
Married couple's (75 & over) at 10%	£5,795	£5,635
Age-related reliefs reduced by 50% of income over	£18,900	£18,300
CTC - family element	£545	£545
CTC - family element baby addition	£545	£545
CTC usually reduced by 6.67% of joint income over	£50,000	£50,000
Blind person's allowance	£1,560	£1,510
Rent-a-room tax-free income	£4,250	£4,250
Venture Capital Trust (VCT) at effective 40% (20% 03-04)	£200,000	£100,000
Eligible for CGT re-investment relief	Nil	£100,000
Enterprise Investment Scheme (EIS) at 20%	£200,000	£150,000
Eligible for CGT re-investment relief	No limit	No limit

*Where at least one claimant was born before 6 April 1935

5.14 National Insurance

Class 1 Employees Not Contracted-Out of State Second Pension

	04-05		03-04	
	Employee	Employer	Employee	Employer
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£91 pw	£91 pw	£89 pw	£89 pw
NICs charged up to	£610 pw	No limit	£595 pw	No limit
1% NIC on earnings over	£610 pw	n/a	£595 pw	n/a
Certain married women	4.85%	As above	4.85%	As above

Contracted-out Rebate	04-05		03-04	
Rebate on	£79.01 - £610 pw		£77.01 - £595 pw	
Salary-related scheme	1.6%	3.5%	1.6%	3.5%
Money-purchase scheme	1.6%	1.0%	1.6%	1.0%

Limit or Threshold	04-05			03-04		
	Weekly	Monthly	Annual	Weekly	Monthly	Annual
Lower earnings limit	£79	£342	£4,108	£77	£334	£4,004
NICs start	£91	£395	£4,745	£89	£385	£4,615
Upper earnings limit	£610	£2,644	£31,720	£595	£2,579	£30,940

Contracted-Out Rebate - Personal Pensions 04-05

Slice of earnings pa	£4,108-£11,600			£11,600-£26,600			£26,600-£31,720								
S2P pension accrual	40%			10%			20%								
Rebate	Double rate below*			Half rate below*			As rate below*								
Age at 5 April 04	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
Rebate % for 20% accrual	4.5	4.6	4.6	4.7	4.7	4.8	4.8	4.9	4.9	5.0	5.0	5.1	5.1	5.1	5.2
Age at 5 April 04	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53+
Rebate % for 20% accrual	5.2	5.3	5.3	5.5	5.7	5.9	6.0	6.2	6.4	6.6	7.2	8.0	9.0	10.1	10.5

*Plus tax relief on employee's contributions: 0.45%

Class 1A Employer 03-05

On car and fuel benefits and most other taxable benefits: 12.8%

		04-05	03-04
Self-employed			
Class 2	Flat rate if earnings over	£2.05 pw £106.60 pa £4,215 pa	£2.00 pw £104 pa £4,095 pa
Class 4	On profits	£4,745-£31,720 pa: 8% Over £31,720 pa: 1%	£4,615-£30,940 pa: 8% Over £30,940 pa: 1%
Voluntary			
Class 3	Flat rate	£7.15 pw £371.80 pa	£6.95 pw £361.40 pa

5.15 Personal Pensions

Maximum contributions based on net relevant earnings (NRE)

Personal Pensions				Retirement Annuities	
Age on 6 April	% NRE	04-05 £	03-04 £	Age on 6 April	% NRE
35 or less	17.5	17,850	17,325	35 or less	17.5
36-45	20.0	20,400	19,800	36-45	17.5
46-50	25.0	25,500	24,750	46-50	17.5
51-55	30.0	30,600	29,700	51-55	20.0
56-60	35.0	35,700	34,650	56-60	22.5
61-74	40.0	40,800	39,600	61-74	27.5
Contribution without NRE		3,600	3,600		
Pension earnings cap		102,000	99,000	No earnings cap	

5.16 Stamp Duties

Stamp Duty Land Tax (exemptions apply for disadvantaged areas)	
Land charged on full price from 1.12.03	
Price is £60,000 (£150,000 for non-residential) or less	Nil
Price is over £60,000 (£150,000) and up to £250,000	1%
Price is over £250,000 and up to £500,000	3%
Price is over £500,000	4%
Stamp Duty stocks and marketable securities:	0.5%

5.17 Tax-Free Mileage Allowance

Tax-Free Mileage Allowance – Own Vehicle 03-05

Cars Up to 10,000 business miles: 40p
Over 10,000 business miles: 25p

Motorcycles 24p per business mile

Bicycles 20p per business mile

5.18 Value Added Tax

Standard Rate	17.5%
Reduced rate, e.g. on domestic fuel	5%
Registration level from 01.04.04	£58,000
Cash and annual accounting turnover limit	£660,000
Flat rate scheme turnover limit	£150,000

6.0 Tax Tables 2003/2004

6.1 Income Tax Rates

Income Tax rates	Taxable Income	
	2003/04 (£)	2002/03 (£)
Lower rate 10%	0-1,960	0-1,920
Basic rate 22%	1,961-30,500	1,921-29,900
High rate 40%	Over 30,500	Over 29,900

Above the starting rate limit, savings income taxed at 20% for basic rate tax payers and 40% above that, except on dividends where the rates are 10% and 32.5%.

Main Personal Allowances	2003/04 (£)	2002/03 (£)
Personal allowance	4,615	4,615
Personal allowance (65-74)	6,610	6,100
Personal allowance (75 & over)	6,720	6,370
Married couple's allowance (65-74)	*5,565	*5,465
Married couple's allowance (75 & over)	*5,635	*5,535
Age allowance income limit	18,300	17,900
Blind person's allowance	1,510	1,480

* Relief restricted to 10%; only available if either spouse born before 6 April 1935.

6.2 Personal Pensions

Age of Tax payer at 6 April	Maximum Contribution as Percentage of Earnings	
	RAP %	*PPS%
35 or less	17.5	17.5
36-45	17.5	20.0
46-50	17.5	25.0
51-55	20.0	30.0
56-60	22.5	35.0
61-74	27.5	40.0

*From 6 April 2001 contributions of £3,600 gross can be made regardless of income.

Pension Scheme Earnings CAP	2003/04 (£)	2002/03 (£)
	99,000	97,200

6.3 Car Benefit for Employees

Car Benefit 2003/2004 (Percentage of list price)

g/km of CO2	Petrol Only Engine	*Diesel Only Engine	Hybrid* Petrol/ Electric Engines	*LPG or Dual LPG & Petrol
155 or less	15	18	13	14
160	16	19	14	15
165	17	20	15	16
170	18	21	16	17
175	19	22	17	18
180	20	23	18	19
185	21	24	19	20
190	22	25	20	21
195	23	26	21	22
200	24	27	22	23
205	25	28	23	24
210	26	29	24	25
215	27	30	25	26
220	28	31	26	27
225	29	32	27	28
230	30	33	28	29
235	31	34	29	30
240	32	35	30	31

245	33	35	31	32
250	34	35	32	33
255	35	35	33	34

* The percentage of list price is reduced by a further 1% for each full 20g/km CO2 the emissions figure is less than 155. Electric cars registered after 1997 taxed on 9% of list price.

Fuel Benefit

From 6 April 2003 the fuel scale charges, which applied when free fuel was provided for private use in a company car, are swept away. The new tax charge for private use of fuel takes the percentage derived from the tables above, applied to a set value of £14,400 rather than the vehicle's list price.

Example: In 2003/04 a driver provided with free petrol for his company car that has a CO2 emissions figure of 163 gr/km will be taxed on a cash equivalent value of £2,304 (16% * £14,400) for that fuel.

Tax Free Mileage Rates	2003/04		2002/03	
	Under 10,000	Over 10,000	Under 10,000	Over 10,000
Business Miles	40p	25p	40p	25p
Motorcycles	24p/mile		24p/mile	
Bicycles	20p/mile		20p/mile	
Passengers	5p/mile per passenger			

6.4 National Insurance

Class 1 Employed	2003/04
Lower earnings limit	£77 per week
primary threshold	£89 per week
Upper earnings limit	£595 per week

Employer	Total Weekly Earnings			
	Below £77	£77.01 - £89	£89.01 - £595	Excess
Standard rate	0	0	12.8%	12.8%
Contracted-out rate - money purchase schemes	0	0	11.8%	12.8%
Contracted-out rate - salary related schemes	0	0	*9.3%	12.8%

Employee	
Standard rate	0 11% of earnings between £89 and £595. 1% of earning above £595.
Contracted-out rate	0 9.4% of earnings between £89 and £595. 1% of earning above £595.

Other Classes 2002/2003

Class 2 Self-Employed	£2 per week where earnings are over £4,095 a year
Class 3 Voluntary	£6.85 per week
Class 4 self-employed	8% net profits between £4,615 and £30,940 a year plus 1% above £30,940.

6.5 Capital Gains Tax

	2003/04 (£)	2002/03 (£)
Annual exemption - individuals	7,900	7,700
Annual exemption - trusts	*3,950	*3,850
Chattels exemption	6,000	6,000

* These exemptions are doubled for certain trusts relating to the disabled or infirm.

Rates: Individuals are taxed at the rates of 10%, 20% or 40% depending on their income tax bands. Gains are charged at 34% for trusts.

6.6 Inheritance Tax

Threshold: 2003/2004 - £255,000; 2002/2003 - £250,000. A flat rate of tax of 40% is levied for transfers in excess of the threshold. For transfers made within 7 years of death a reduced charge applies.

Years between death and gift	0-3 %	3-4 %	4-5 %	5-6 %	6-7 %
Death Charge	100	80	60	40	20

6.7 Corporation Tax

Financial year to	31/03/2004	31/03/2003
Starting rate	0	0
Small companies rate (SCR)	19%	19%
Main rate	30%	30%
Starting rate limit	£10,000	£10,000
Starting rate marginal relief limit	£50,000	£50,000
SCR limit	£300,000	£300,000
SCR marginal relief limit	£1,500,000	£1,500,000
Effective marginal rate - starting	23.75%	23.75%
Effective marginal rate - small companies	32.75%	32.75%
Marginal relief fraction - starting to small rate	19/400	19/400
Marginal relief fraction - small to main rate	11/400	11/400

6.8 Value Added Tax

	From 10/04/2003	From 25/04/2002
Standard rate	17.5%	17.5%
Registration level	£56,000	£55,000
Deregistration level	£54,000	£53,000
Cash accounting upper limit	*£600,000	*£600,000
Annual accounting upper limit	*£600,000	*£600,000

*Businesses already on a scheme will be able to continue on it until turnover reaches £750,000.

6.9 Key Assessment Dates

31st July 2003 Second payment on account of income tax due for 2002/03. Automatic fine of further £100 for all 2001/2002 tax returns still not submitted.

30th September 2003 Personal tax return for 2002/03 must be submitted if Inland Revenue is to complete the tax calculation.

5th October 2003 Individuals must inform Inland Revenue of new sources of income or gains if no tax return received for 2002/03.

31st January 2004 Final income tax payment and CGT due for 2002/03 year plus first payment on account of income tax for 2003/04.

As per April 2003 Budget

7.0 Tax Tables 2002/2003

7.1 Income Tax Rates

Income Tax rates	Taxable Income	
	2002/03 (£)	2001/02 (£)
Lower rate 10%	0-1,920	0-1,880
Basic rate 22%	1,921-29,900	1,881-29,400
High rate 40%	Over 29,900	over 29,400

Above the starting rate limit, savings income taxed at 20% for basic rate tax payers and 40% above that, except on dividends where the rates are 10% and 32.5%.

Main Personal Allowances	2002/03 (£)	2001/02 (£)
Personal allowance	4,615	*4,535
Personal allowance (65-74)	6,100	*5,990
Personal allowance (75 & over)	6,370	*6,260
Married couple's allowance (65-74)	*5,465	*5,365
Married couple's allowance (75 & over)	*5,535	*5,435
Age allowance income limit	17,900	17,600
Blind person's allowance	1,480	*1,450

* Relief restricted to 10%; only available if either spouse born before 6 April 1935.

7.2 Personal Pensions

Age of Tax payer at 6 April	Maximum Contribution as Percentage of Earnings	
	RAP %	*PPS%
35 or less	17.5	17.5
36-45	17.5	20.0
46-50	17.5	25.0
51-55	20.0	30.0
56-60	22.5	35.0
61-74	27.5	40.0

*From 6 April 2001 contributions of £3,600 gross can be made regardless of income.

Pension Scheme Earnings CAP	2002/03 (£)	2001/02 (£)
	97,200	95,400

7.3 Car Benefit for Employees

Car Benefit 2002/2003 (Percentage of list price)

g/km of CO2	Petrol Only Engine	*Diesel Only Engine	Hybrid* Petrol/ Electric Engines	*LPG or Dual LPG & Petrol
165	15	18	13	14
170	16	19	14	15
175	17	20	15	16
180	18	21	16	17
185	19	22	17	18
190	20	23	18	19
195	21	24	19	20
200	22	25	20	21
205	23	26	21	22
210	24	27	22	23
215	25	28	23	24
220	26	22	24	25
225	27	30	25	26
230	28	31	26	27
235	29	32	27	28
240	30	33	28	29
245	31	34	29	30
250	32	35	30	31

255	33	35	31	32
260	34	35	32	33
265	35	35	33	34

* The percentage of list price is reduced by a further 1% for each full 20g/Km CO2 the emissions figure is less than 165. Electric cars registered after 1997 taxed on 9% of list price.

FUEL BENEFIT	2002/03		2001/02	
	Petrol	Diesel	Petrol	Diesel
Engine Capacity				
Up to 1,400cc	2,240	2,850	1,930	2,460
1,401-2,000cc	2,850	2,850	2,460	2,460
More than 2,000cc	4,200	4,200	3,620	3,620

Tax Free Mileage Rates	2002/03		2001/02	
Business Miles	Under 10,000	Over 10,000	Under 10,000	Over 10,000
All vehicles	40p	25p	40p	25p
Motorcycles	24p/mile		24p/mile	
Bicycles	20p/mile		20p/mile	
Passengers	5p/mile per passenger			

7.4 National Insurance

Class 1 Employed	2003/04
Lower earnings limit	£75 per week
primary threshold	£89 per week
Upper earnings limit	£585 per week

Employer	Total Weekly Earnings			
	Below £75	£75.01 - £89	£89.01 - £585	Excess
Standard rate	0	0	11.8%	11.8%
Contracted-out rate - money purchase schemes	0	0	10.8%	11.8%
Contracted-out rate - salary related schemes	0	0	*8.3%	11.8%

Employee		
Standard rate	0	10% of earnings between £89 and £585.
Contracted-out rate	0	8.4% of earnings between £89 and £585..

Other Classes 2002/2003

Class 2 Self-Employed	£2 per week where earnings are over £4,025 a year
Class 3 Voluntary	£6.85 per week
Class 4 self-employed	8% net profits between £4,615 and £30,420 a year (maximum annual Class 4 contributions £1,806.35)

7.5 Capital Gains Tax

	2002/03 (£)	2001/02 (£)
Annual exemption - individuals	7,700	7,500
Annual exemption - trusts	*3,850	*3,750
Chattels exemption	6,000	6,000

* These exemptions are doubled for certain trusts relating to the disabled or infirm.

Rates: Individuals are taxed at the rates of 10%, 20% or 40% depending on their income tax bands. Gains are charged at 34% for trusts.

Retirement Relief: Exempt amount £50,000 for disposals in 2002/2003.. Taxable on half of the gain between £50,000 and £200,000.
Fully withdrawn for disposals after 5 April 2003.

7.6 Inheritance Tax

Threshold: 2002/2003 £250,000; 2001/2002 £242,000. A flat rate of tax of 40% is levied for transfers in excess of the threshold. For transfers made within 7 years of death a reduced charge applies

Years between death and gift	0-3	3-4	4-5	5-6	6-7
	%	%	%	%	%
Death Charge	100	80	60	40	20

7.7 Corporation Tax

Financial year to	31/03/2003	31/03/2002
Starting rate	0	10%
Small companies rate (SCR)	19%	19%
Main rate	30%	30%
Starting rate limit	£10,000	£10,000
Starting rate marginal relief limit	£50,000	£50,000
SCR limit	£300,000	£300,000
SCR marginal relief limit	£1,500,000	£1,500,000
Effective marginal rate - starting	23.75%	23.75%
Effective marginal rate - small companies	32.75%	32.75%
Marginal relief fraction - starting to small rate	19/400	1/400
Marginal relief fraction - small to main rate	11/400	1/400

7.8 Value Added Tax

	From 25/04/2002	From 1/04/2001
Standard rate	17.5%	17.5%
Registration level	£55,000	£54,000
Deregistration level	£53,000	£52,000
Cash accounting upper limit	*£600,000	*£600,000
Annual accounting upper limit	*£600,000	*£600,000

*Businesses already on a scheme will be able to continue on it until turnover reaches £750,000.

7.9 Key Assessment Dates

31st July 2002 Second 2001/2002 payment on account for all taxpayers.

30th September 2002 Tax return deadline if the Revenue is to calculate tax liability for 2001/2002.

5th October 2002 Deadline for notifying new sources of income.

31st January 2003 Final deadline for submitting tax returns. Balance of 2001/2002 tax liability and first payment on account for 2002/2003 due.

As per April 2002 Budget