



tax facts
2002/03

Income Tax

INCOME TAX RATES

RATE OF TAX

	Taxable Income	
	2002/2003	2001/2002
	£	£
Lower rate 10%	0-1,920	0-1,880
Basic rate 22%	1,921-29,900	1,881-29,400
Higher rate 40%	Over 29,900	over 29,400

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

MAIN PERSONAL ALLOWANCES

	2002/2003	2001/2002
	£	£
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.

Personal Pensions (PPS) & Retirement Annuities (RAP)

AGE OF TAXPAYER 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

	2002/2003	2001/2002
	£	£
	97,200	95,400

Car Benefits



The savings made in previous years by company car drivers reaching the key thresholds of 2,500 and 18,000 business miles no longer apply in 2002/2003. Tax reductions for those driving cars over 4 years old have also been abolished.

CAR BENEFIT 2002/2003

Percentage of list price

g/km of CO ₂	Petrol only engine	Diesel* only engine	Hybrid* petrol/electric engines	*LPG or dual LPG and 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	29	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

	2002/2003		2001/2002	
	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

Cars	2002/2003		2001/2002	
	Under 10,000 miles	Over 10,000 miles	Under 4,000 miles	Over 4,000 miles
Business Miles				
Engine capacity				
Up to 1,500cc	40p	25p	40p	25p
1,501-2,000cc	40p	25p	45p	25p
More than 2,000cc	40p	25p	63p	36p

Motorcycles

24p/mile

24p/mile

Bicycles

20p/mile

12p/mile

Passengers

5p/mile per passenger

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

Corporation Tax



FINANCIAL YEAR TO

	31/3/2003	31/3/2002
Starting rate	Zero	10%
Small Companies' Rate (SCR)	19%	20%
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%	22.5%
Effective marginal rate - small companies	32.75%	32.5%
Marginal relief fraction - starting to small rate	$\frac{19}{400}$	$\frac{1}{40}$
Marginal relief fraction - small to main rate	$\frac{11}{400}$	$\frac{1}{40}$

Value Added Tax



	From 25/4/2002	From 1/4/2001
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.

KEY ASSESSMENT DATES

31 July 2002	Second 2001/2002 payment on account for all taxpayers.
30 September 2002	Tax return deadline if the Revenue is to calculate tax liability for 2001/2002.
5 October 2002	Deadline for notifying new sources of income.
31 January 2003	Final deadline for submitting tax returns. Balance of 2001/2002 tax liability and first payment on account for 2002/2003 due.