



BARNES ROFFE LLP
CHARTERED ACCOUNTANTS

TAX
FACTS
2014/15



INCOME TAX

| Rates | 14/15 | 13/14 |
|---|----------------------|----------------------|
| Starting rate of 10% on savings income up to* | £2,880 | £2,790 |
| Basic rate of 20% on income up to | £31,865 | £32,010 |
| Maximum tax at basic rate | £6,373 | £6,402 |
| Higher rate of 40% on income | £31,866– £150,000 | £32,011– £150,000 |
| Tax on first £150,000 | £53,627 | £53,598 |
| Additional rate on income over £150,000 | 45% | 45% |
| Dividends for: Basic rate taxpayers | 10% | 10% |
| Higher rate taxpayers | 32.5% | 32.5% |
| Additional rate taxpayers | 37.5% | 37.5% |
| Trusts: Standard rate band generally | £1,000 | £1,000 |
| Rate applicable to trusts: – dividends | 37.5% | 37.5% |
| – other income | 45% | 45% |

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

Child Benefit Charge

1% of benefit for each £100 of income between £50,000–£60,000.

Main Personal Allowances and Reliefs

| | | |
|--|----------|----------|
| Personal (basic) | £10,000 | £9,440 |
| Personal reduced if net income exceeds* | £100,000 | £100,000 |
| Personal if born between 6/4/38 and 5/4/48 | £10,500 | £10,500 |
| Personal if born before 6/4/38 | £10,660 | £10,660 |
| Personal if born before 6/4/48 reduced if net income exceeds* | £27,000 | £26,100 |
| Married couple's allowance*† – maximum amount | £8,165 | £7,915 |
| – minimum amount | £3,140 | £3,040 |

*£1 reduction for every £2 of additional income over the income threshold.

†Relief at 10% if at least one of the couple was born before 6/4/35.

| | | |
|--|------------|------------|
| Venture Capital Trust (VCT) at 30% | £200,000 | £200,000 |
| Enterprise Investment Scheme (EIS) at 30% | £1,000,000 | £1,000,000 |
| EIS eligible for CGT deferral relief | No limit | No limit |
| Seed EIS (SEIS) at 50% | £100,000 | £100,000 |
| SEIS CGT reinvestment relief | 50% | 50% |

Non-domicile Remittance Basis Charge

For adult non-UK domiciliary after UK residence in:

| | | |
|--|---------|---------|
| At least 7 of the previous 9 tax years | £30,000 | £30,000 |
| At least 12 of the previous 14 tax years | £50,000 | £50,000 |

REGISTERED PENSIONS

| | 14/15 | 13/14 |
|---|------------------------------|------------|
| Lifetime allowance | £1,250,000 | £1,500,000 |
| Annual allowance | £40,000 | £50,000 |
| Annual allowance charge on excess | 20%–45% | 20%–45% |
| Max. pension commencement lump sum | 25% of pension benefit value | |
| Lifetime allowance charge if excess drawn as cash | 55% | income 25% |
| Maximum relievable personal contribution, capped by the annual allowance and 100% of relevant UK earnings or £3,600 if greater. | | |

NATIONAL INSURANCE CONTRIBUTIONS

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

| 14/15 | Employee | Employer |
|--------------------------|----------|----------|
| NICs rate | 12% | 13.8% |
| No NICs on the first | £153 pw | £153 pw |
| NICs charged up to | £805 pw | No limit |
| 2% NICs on earnings over | £805 pw | N/A |
| Certain married women | 5.85% | 13.8% |

Employment Allowance per business

| | |
|--|--------|
| Offset against employer's Class 1 NICs | £2,000 |
|--|--------|

Contracted-Out Rebate On

| | | |
|--------------|------|------|
| £111-£770 pw | 1.4% | 3.4% |
|--------------|------|------|

Limits and Thresholds

| | Weekly | Monthly | Annual |
|------------------------------|--------|---------|---------|
| Lower earnings limit | £111 | £481 | £5,772 |
| Secondary earnings threshold | £153 | £663 | £7,956 |
| Primary earnings threshold | £153 | £663 | £7,956 |
| Upper accrual point | £770 | £3,337 | £40,040 |
| Upper earnings limit | £805 | £3,489 | £41,865 |

Class 1A Employer On most taxable benefits provided to P11D

| | |
|--------------------------|-------|
| employees and directors: | 13.8% |
|--------------------------|-------|

| | | |
|--|----------|------------|
| Self-Employed Class 2 Flat rate | £2.75 pw | £143.00 pa |
|--|----------|------------|

| | |
|---|-----------|
| Self-Employed Small earnings exception | £5,885 pa |
|---|-----------|

| | | |
|---|-------------------|----|
| Self-Employed Class 4 On profits | £7,956-£41,865 pa | 9% |
| | Over £41,865 pa | 2% |

| | | |
|------------------------------------|-----------|------------|
| Class 3 Voluntary Flat rate | £13.90 pw | £722.80 pa |
|------------------------------------|-----------|------------|

BASIC STATE PENSION

| 14/15 | Weekly | Annual |
|----------------------|---------|-----------|
| Single person | £113.10 | £5,881.20 |
| Spouse/civil partner | £67.80 | £3,525.60 |

Pension Credit – standard minimum guarantee

| | | |
|--------|---------|------------|
| Single | £148.35 | £7,714.20 |
| Couple | £226.50 | £11,778.00 |

STAMP DUTIES

| Residential Stamp Duty Land Tax based on consideration | Rate 14/15 |
|--|------------|
| £125,000 or less | Nil |
| Over £125,000 up to £250,000 | 1% |
| Over £250,000 up to £500,000 | 3% |
| Over £500,000 up to £1,000,000 | 4%* |
| Over £1,000,000 up to £2,000,000 | 5%* |
| Over £2,000,000 | 7%* |

* 15% if purchased by companies and certain other non-natural entities.

Commercial Stamp Duty Land Tax based on consideration

| | |
|------------------------------|-----|
| £150,000 or less | Nil |
| Over £150,000 up to £250,000 | 1% |
| Over £250,000 up to £500,000 | 3% |
| Over £500,000 | 4% |

| | |
|--|------|
| Stamp Duty and SDRT: Stocks and marketable securities | 0.5% |
|--|------|

No charge to stamp duty unless amount due exceeds £5.

TAX-FREE SAVINGS

| Limits | | 14/15 |
|---------------|---------------------------------------|--------------|
| To 30/6/14 | ISA (max £5,940 cash) | £11,880 |
| | Junior ISA and Child Trust Fund (CTF) | £3,840 |
| From 1/7/14 | New ISA (balance to) | £15,000 |
| | Junior ISA and CTF (balance to) | £4,000 |

CAPITAL GAINS TAX

| Tax Rates – Individuals | 14/15 | 13/14 |
|--------------------------------------|--------------|--------------|
| Gains to basic rate limit | 18% | 18% |
| Gains above basic rate limit | 28% | 28% |
| Tax Rate – Trusts and Estates | 28% | 28% |

Exemptions

| | | |
|--|---------|---------|
| Individuals, estates, etc | £11,000 | £10,900 |
| Trusts generally | £5,500 | £5,450 |
| Chattels exemptions: proceeds up to | £6,000 | £6,000 |
| Max. chargeable gains $\frac{5}{3}$ rd of excess proceeds over limit | | |

Entrepreneurs' Relief*

| | | |
|--|-------------|-------------|
| Gains taxed at 10% up to lifetime limit of | £10,000,000 | £10,000,000 |
|--|-------------|-------------|

*For trading businesses and companies (minimum 5% employee/director shareholding) held for one year or more.

INHERITANCE TAX

| | 14/15 | 13/14 |
|---|------------------|------------------|
| Nil-rate band* | £325,000 | £325,000 |
| Rate of tax on excess | 40% [†] | 40% [†] |
| Lifetime transfers to and from certain trusts | 20% | 20% |
| 100% relief: businesses, unlisted and AIM companies, certain farmland/buildings | | |
| 50% relief: certain other business assets e.g. farmland let before 1/9/95 | | |
| Exemption for overseas domiciled spouse/civil partner | £325,000 | £325,000 |
| Annual exempt gifts of: £3,000 per donor £250 per donee | | |

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 |

*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the survivor's death.

[†]36% where at least 10% of net estate left to charity.

CORPORATION TAX

| Effective rate to | 31/3/15 | 31/3/14 |
|------------------------------------|----------------|----------------|
| Profits £0–£300,000 | 20% | 20% |
| Profits £300,001–£1,500,000 | 21.25% | 23.75% |
| Profits £1,500,001 and over | 21% | 23% |

VALUE ADDED TAX

| | | | |
|---|-----|-------------------------------------|------------|
| Standard rate | 20% | Reduced rate, e.g. on domestic fuel | 5% |
| Registration level from 1/4/14 | | | £81,000 |
| Deregistration level from 1/4/14 | | | £79,000 |
| 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.

Charge varies according to CO₂ emissions in grams per kilometre.

| CO ₂ emissions g/km | Petrol engine % | Diesel engine % | CO ₂ emissions g/km | Petrol engine % | Diesel engine % |
|-----------------------------------|--------------------|--------------------|-----------------------------------|--------------------|--------------------|
| 75 or less | 5 | 8 | 150-154 | 23 | 26 |
| 76-94 | 11 | 14 | 155-159 | 24 | 27 |
| 95-99 | 12 | 15 | 160-164 | 25 | 28 |
| 100-104 | 13 | 16 | 165-169 | 26 | 29 |
| 105-109 | 14 | 17 | 170-174 | 27 | 30 |
| 110-114 | 15 | 18 | 175-179 | 28 | 31 |
| 115-119 | 16 | 19 | 180-184 | 29 | 32 |
| 120-124 | 17 | 20 | 185-189 | 30 | 33 |
| 125-129 | 18 | 21 | 190-194 | 31 | 34 |
| 130-134 | 19 | 22 | 195-199 | 32 | 35 |
| 135-139 | 20 | 23 | 200-204 | 33 | 35 |
| 140-144 | 21 | 24 | 205-209 | 34 | 35 |
| 145-149 | 22 | 25 | 210 & over | 35 | 35 |

No taxable benefit in respect of zero emission (e.g. electric-only) cars.

Fuel Benefits – taxable amount for private use

Multiply the CO₂% used for the car benefit by £21,700

VANS – TAXABLE AMOUNTS FOR PRIVATE USE

Van: £3,090

Fuel: £581

Zero-emission, or private use limited to home-work journeys: no charge

TAX-FREE MILEAGE ALLOWANCE – OWN VEHICLE

Cars first 10,000 business miles: 45p per mile; thereafter: 25p per mile

Motorcycles 24p per business mile Bicycles 20p per business mile

MAIN CAPITAL AND OTHER ALLOWANCES

Plant and machinery 100% annual investment allowance (first year) £500,000

Enterprise zone plant and machinery (Max €125m per investment project) 100%

Plant and machinery (annual reducing balance) 18%

Patent rights and know-how (annual reducing balance) 25%

Certain long-life assets, integral features of buildings (annual reducing balance) 8%

Energy and water-efficient equipment 100%

Electric vans 100%

Business premises renovations 100%

Motor cars:

CO₂ emissions of g/km: 95 or less* 96-130 131 or more

Capital allowance: 100% first year 18%† 8%†

*Only for new cars.

†Reducing balance.

Research and Development:

Capital expenditure 100%

Revenue expenditure – small/medium sized companies 225%

– large companies 130%

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Always seek professional advice before acting.



BARNES ROFFE LLP
CHARTERED ACCOUNTANTS

Barnes Roffe LLP
Leytonstone House
Leytonstone, London E11 1GA
Tel: 020 8988 6100
Fax: 020 8532 9020

Barnes Roffe LLP
Charles Lake House
Claire Causeway
Crossways Business Park
Dartford
Kent DA2 6QA
Tel: 01322 275335
Fax: 01322 287177

Barnes Roffe LLP
3 Brook Business Centre
Cowley Mill Road
Uxbridge, Middlesex UB8 2FX
Tel: 01895 256423
Fax: 01895 274107

www.barnesroffe.com

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