

RATES AND ALLOWANCES

INCOME TAX

			2010/11	2011/12
			£	£
Personal Allowance	(age under 65)	*	6,475	7,475
	(age 65 – 74)	**	9,490	****
	(age 75 and over)	**	9,640	****
Married Couple's Allowance	(age 75 and over)	***	6,965	****
	minimum amount	***	2,670	****
Income Limit for Age-Related Allowances		**	22,900	****
Blind Person's Allowance			1,890	****

* Personal Allowance restricted by £1 for every £2 of income over £100,000 (no age based exemption)

** The Age allowance will be restricted by £1 for every £2 of income over the "Income Limit" down to the personal allowance as applies to individuals under 65 years of age.

*** Indicates allowances where tax relief is restricted to 10%.

**** The figures for 2011/12 will not be announced until September's RPI is known.

Tax Rates and Bands

		2010/11		2011/12
		£		£
Basic Rate	20%	0 - 37,400	20%	0 - 34,900
Higher Rate	40%	37,401 - 150,000	40%	34,901 - 150,000
Additional Rate	50%	Over 150,000	50%	Over 150,000

From 6 April 2011, it is proposed that the basic rate limit will be reduced by £2,500. This figure is not final but should be confirmed in the autumn.

UK savings income falling within the first £2,440 of the basic rate band is taxed at 10%, provided that the non-savings income does not exceed this level.

UK dividends within; the basic rate limit are taxed at 10%, the higher rate limit at 32.5% and the additional rate limit at 42.5%.

NATIONAL INSURANCE - 2010/11

Class 1 Contributions for Employers

Weekly Earnings	Up to £110	£110 to £844	Over £844
Standard Rate	0%	12.80%	12.80%
Contracted Out Salary Related	0%	9.10%	12.80%
Contracted Out Money Purchase	0%	11.40%	12.80%

Class 1 Contributions for Employees

Contribution Rate (Contracted Out Rate)	0% (0%)	11% (9.40%)	1% (1%)
Weekly Earnings	£0 - £110	£110 - £844	Over £844
Monthly Earnings	£0 - £477	£477 - £3,657	Over £3,657
Annual Earnings	£0 - £5,715	£5,715 - £43,875	Over £43,875

Class 2 Contributions for the Self-Employed

Weekly Flat Rate	£2.40
Small Earnings Exemption	£5,075

Class 3 Voluntary Contributions

Weekly Rate	£12.05
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Class 4 Contributions for the Self-Employed

Profits between £5,715 and £43,875	8%
Profits above £43,875	1%

RATES AND ALLOWANCES - continued

CORPORATION TAX

Financial Year to	31 March 2011	31 March 2012
Taxable Profits		
Up to £300,000	21%	20%
£300,001 - £1,500,000	29.75%	28.75%
Over £1,500,000	28%	27%

CAPITAL GAINS TAX

Annual Exemption

	2010/11	2011/12
	£	£
Individuals	10,100	10,100
Personal Representatives	10,100	10,100
Trusts	5,050	5,050

Prior to 23 June 2010 all chargeable gains were taxed at a flat rate of 18%. From 23 June 2010 gains are now added to taxable income as the top slice and taxed at 18% if the total falls within the basic rate band, and any excess gains taxed at the new higher rate of 28%. Trusts and estates will be taxed at the new 28% rate.

Entrepreneurs' Relief - from 6 April 2010, the first £2 million (previously £1 million) of qualifying Capital Gains are taxed at an effective tax rate of 10%. From 23 June 2010 the first £5 million of lifetime gains will be taxed at an actual rate of 10%.

INHERITANCE TAX

	2010/11	2011/12	2012/13
	£	£	£
Nil-Rate Band	325,000	325,000	325,000
Annual Allowance	3,000	3,000	3,000
Small Gifts Exemption	250	250	250

The rate of Inheritance Tax is 40% on death and 20% for lifetime chargeable transfers.

STAMP DUTY

Rates	Residential Property	Commercial Property
0%	£0 - £125,000	£0 - £150,000
0% (first time buyers from 25/3/2010 to 24/3/2012)	£0 - £250,000	n/a
1%	£125,001 - £250,000	£150,001 - £250,000
3%	£250,001 - £500,000	£250,001 - £500,000
4%	£500,001 - £1,000,000	£500,001 - £1,000,000
5% (from 6/4/2011)	Over £1,000,000	n/a
0.5%	Sale or Transfer of Shares and Securities	

VAT

	£
VAT registration threshold	70,000
VAT deregistration threshold	68,000
Flat-rate scheme	VAT turnover
	150,000 (ex VAT) in next 12 months
	Total business income
	187,500 (inc VAT) in next 12 months
Cash Accounting	Turnover
Annual Accounting	1,350,000 (ex VAT) in next tax year

From 4 January 2011 the standard rate of VAT will increase from 17.5% to 20%.