

TAX RATES 2017/18

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INCOME TAX ALLOWANCES

	2017-18	2016-17
Personal Allowance (1)	£11,500	£11,000
Income limit for Personal Allowance	£100,000	£100,000
Married Couple's Allowance - for those born before 6 April 1935 (2) (3)	£8,455	£8,355
Income limit for age-related allowances	£27,700	£27,700
Minimum amount of Married Couple's Allowance	£3,260	£3,220
Blind Person's Allowance	£2,320	£2,290

(1) From the 2010-11 tax year the Personal Allowance reduces where the income is above £100,000 - by £1 for every £2 of income above the £100,000 limit. This reduction applies irrespective of age.

(2) These allowances reduce where the income is above the income limit - by £1 for every £2 of income above the limit. For the 2008-09 and 2009-10 tax years they will never be less than the basic Personal Allowance or minimum amount of Married Couple's Allowance. However, from the 2010-11 tax year the Personal Allowance for people aged 65 to 74 and 75 and over can be reduced below the basic Personal Allowance where the income is above £100,000.

(3) Tax relief for the Married Couple's Allowance is given at the rate of 10 per cent.

INCOME TAX RATES AND TAXABLE BANDS

	2017-18	2016-17
Starting rate for savings: 10%	£0-£5,000	£0-£5,000
Basic rate: 20%	£0-£33,500	£0-£32,000
Higher rate: 40%	£33,501-£150,000	£32,001-£150,000
Additional rate: 45%	Over £150,000	Over £150,000
Dividend ordinary rate - for dividends otherwise taxable at the basic rate (effective rate with tax credit) (1)	7.5%	7.5%
Dividend upper rate - for dividends otherwise taxable at the higher rate (effective rate with tax credit) (1)	32.5%	32.5%
Dividend upper rate - for dividends otherwise taxable at the higher rate (effective rate with tax credit) (1)	38.1%	38.1%

TAX-RATES AND ALLOWANCES FOR CAPITAL GAINS TAX

	2017-18	2016-17
Rates if gains are part of basic rate band (1)	10%	10%
Rates if gains are part of higher rate band (1)	20%	20%
Annual exemption	£11,300	£11,100
Other trustees	£5,650	£5,550
Entrepreneurs' Relief - lifetime allowance - Up to 22.6.10	£2m	£2m
- After 22.6.10	£5m	£5m
- After 5.4.11	£10m	£10m
Entrepreneurs' Relief - effective tax rate	10%	10%
(1) Rates for individuals, for gains on residential property remain at 18% and 28% for 2017-18.		

RATES AND ALLOWANCES NATIONAL INSURANCE CONTRIBUTIONS

£ per week	2017-18	2016-17
Lower earnings limit, primary Class 1	£113	£112
Upper earnings limit, primary Class 1	£866	£827
Primary threshold	£157	£155
Secondary threshold	£157	£156
Employees' primary Class 1 rate between primary threshold and upper earnings limit	12%	12%
Employees' primary Class 1 rate above upper earnings limit	2%	2%
Class 1A rate on employer provided benefits (1)	13.8%	13.8%
Employees' contracted-out rebate	1.4%	1.4%
Married women's reduced rate between primary threshold and upper earnings limit	5.85%	5.85%
Married women's rate above upper earnings limit	2%	2%
Employers' secondary Class 1 rate above secondary threshold	13.8%	13.8%
Employers' contracted-out rebate, salary-related schemes	3.4%	3.4%
Class 2 rate	£2.85	£2.80
Class 2 small earnings exception	£6,025 per year	£5,965 per year
Special Class 2 rate for share fishermen	£3.50	£3.45
Special Class 2 rate for volunteer development workers	£5.65	£5.60
Class 3 rate	£14.25	£14.10
Class 4 lower profits limit	£8,164 per year	£8,060 per year
Class 4 upper profits limit	£45,000 per year	£42,385 per year
Class 4 rate between lower profits limit and upper profits limit	9%	9%
Class 4 rate above upper profits limit	2%	2%

(1) Class 1A NICs are calculated using the previous year's benefit figure and the rate appropriate at the due date - July.

CORPORATION TAX RATES

Rates for financial years starting on 1 April	2017-18	2016-17
All profits main rate	19%	20%*

*From 1 April 2015 the small companies rate and the main rate are the same, 20%.

INHERITANCE TAX THRESHOLDS

The Inheritance Tax threshold (or 'nil rate band') is the amount up to which an estate will have no Inheritance Tax to pay.

If the estate - including any assets held in trust and gifts made within seven years of death - is more than the threshold, Inheritance Tax will be due at 40 per cent on the amount over the nil rate band.

From 6 April 2012 a reduced rate of IHT of 36% applies where 10% or more of the net estate is left to charity. The full rate of IHT remains unchanged at 40%.

From	To	Threshold/nil rate band
6 April 2009	5 April 2015	£325,000
6 April 2008	5 April 2009	£312,000
6 April 2007	5 April 2008	£300,000
6 April 2006	5 April 2007	£285,000

STAMP DUTY LAND TAX RATES FOR RESIDENTIAL PROPERTY

Residential land or property SDLT rates and thresholds

Purchase price/lease premium or transfer value	SDLT rate (1)
Up to £125,000	Zero
Over £125,000 to £250,000	2%
Over £250,000 to £925,000	5%
Over £925,000 to £1,500,000	10%
Over £1,500,000	12%

These rates are applied on a graduated basis with the portion of the purchase price within each tier charged at the applicable rate. The rates displayed are those applicable to property sales after 4 December 2014.

(1) From 1 April 2016, purchases of additional properties by individuals, second homes or buy-to-let, will be charged at rates 3 percentage points higher than the above rates for all chargeable residential property purchases in excess of £40,000.

	Up to 10,000 miles	Over 10,000 miles
Cars and vans	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

PASSENGER PAYMENTS CARS AND VANS

5p per passenger per business mile for carrying fellow employees in a car or van on journeys which are also work journeys for them. Only payments specifically for carrying passengers count and there is no relief if you receive less, or nothing at all.

VALUE ADDED TAX (VAT)

From	4 Jan 2011
Standard rate	20%
VAT fraction	1/6
Reduced rate	5%
Current Turnover Limits	
Registration - last 12 months or next 30 days	over £85,000 from 1 April 2017
Deregistration - next 12 months	under £83,000 from 1 April 2017
Annual Accounting Scheme	£1,350,000
Cash Accounting Scheme	£1,350,000
Flat Rate Scheme	£150,000

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