

TAX RATES 2018/19

Robert Powell Chartered Accountants

Tel: 01452 527700

Email: robert@robert-powell.co.uk

INCOME TAX ALLOWANCES

	2019-20	2018-19
Personal Allowance (1)	£12,000	£11,850
Income limit for Personal Allowance	£100,000	£100,000
Married Couple's Allowance - for those born before 6 April 1935 (2) (3)	£8,915	£8,695
Income limit for age-related allowances	£29,600	£28,900
Minimum amount of Married Couple's Allowance	£3,450	£3,360
Blind Person's Allowance	£2,450	£2,390

(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

	2019-20	2018-19
Starting rate for savings: 10%	£0-£5,000	£0-£5,000
Basic rate: 20%	£0-£37,500	£0-£34,500
Higher rate: 40%	£37,501-£150,000	£34,501-£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

	2019-20	2018-19
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	£12,000	£11,700
Other trustees	£6,000	£5,850
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 2019-20.

RATES AND ALLOWANCES NATIONAL INSURANCE CONTRIBUTIONS

£ per week	2019-20	2018-19
Lower earnings limit, primary Class 1	£118	£116
Upper earnings limit, primary Class 1	£962	£892
Primary threshold	£166	£162
Secondary threshold	£166	£162
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	1.4%	1.4%
Class 2 rate	£3.00	£2.95
Class 2 small earnings exception	£6,365 per year	£6,025 per year
Special Class 2 rate for share fishermen	£3.65	£3.60
Special Class 2 rate for volunteer development workers	£5.90	£5.80
Class 3 rate	£15.00	£14.65
Class 4 lower profits limit	£8,632 per year	£8,424 per year
Class 4 upper profits limit	£50,000 per year	£46,350 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	2019-20	2018-19
All profits main rate	19%	19%*

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

RATES AND ALLOWANCES TRAVEL

Approved mileage rates from 6th April 2011

	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

This Tax Card was prepared immediately after the Chancellor's last Budget Statement based on official press releases and supporting documentation. The Budget proposals are subject to amendment before the Finance Act receives Royal Assent. The information on this card is for guidance only, and professional advice should be obtained before acting on any information contained herein. No responsibility can be accepted by the publishers or the distributors for loss occasioned to any person as a result of action taken or refrained from in consequence of the contents of this publication.