

# TAX RATES 2011/12



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## INCOME TAX ALLOWANCES

	2010-11	2011-12
<b>Personal Allowance (1)</b>	£6,475	£7,475
<b>Income limit for Personal Allowance</b>	£100,000	£100,000
<b>Personal Allowance for people aged 65-74 (1) (2)</b>	£9,490	£9,940
<b>Personal Allowance for people aged 75 and over (1) (2)</b>	£9,640	£10,090
<b>Married Couple's Allowance - aged 75 and over (2) (3)</b>	£6,965	£7,295
<b>Income limit for age-related allowances</b>	£22,900	£24,000
<b>Minimum amount of Married Couple's Allowance</b>	£2,670	£2,800
<b>Blind Person's Allowance</b>	£1,890	£1,980

(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.

(4) In the 2009-10 tax year all Married Couple's Allowance claimants in this category will become 75 at some point during the year and will therefore be entitled to the higher amount of the allowance - for those aged 75 and over.

## INCOME TAX RATES AND TAXABLE BANDS

	2010-11	2011-12
<b>Starting rate for savings: 10%</b>	£0-£2,440	£0-£2,560
<b>Basic rate: 20%</b>	£0-£37,400	£0-£35,000
<b>Higher rate: 40%</b>	£37,401-£150,000	£35,000-£150,000
<b>Additional rate: 50%</b>	Over £150,000	Over £150,000

The rates available for dividends for 2009-10 tax year is the 10 per cent ordinary rate and the 32.5 per cent dividend upper rate. From the 2010-11 tax year, as well as these rates there is a new dividend additional rate of 42.5 per cent.

**RATES FOR  
CAPITAL GAINS TAX**
**TAX-FREE ALLOWANCES FOR  
CAPITAL GAINS TAX**

Tax Year	Rate
2011-12	
Basic Rate Taxpayers	18%
Higher Rate Taxpayers	28%
Trustees	18%

	2010-11	2011-12
Individuals, personal representatives and trustees for disabled people	£10,100	£10,600
Other trustees	£5,050	£5,300
Entrepreneurs' Relief - lifetime allowance		
- Up to 22.6.10	£2m	£2m
- After 22.6.10	£5m	£5m
- After 5.4.11		£10m
Entrepreneurs' Relief - effective tax rate	10%	10%

**RATES AND ALLOWANCES NATIONAL INSURANCE CONTRIBUTIONS**

£ per week	2010-11	2011-12
Lower earnings limit, primary Class 1	£97	£102
Upper earnings limit, primary Class 1	£844	£817
Upper accruals point	£770	£770
Primary threshold	£110	£139
Secondary threshold	£110	£136
Employees' primary Class 1 rate between primary threshold and upper earnings limit	11%	12%
Employees' primary Class 1 rate above upper earnings limit	1%	2%
Class 1A rate on employer provided benefits (1)	12.8%	13.8%
Employees' contracted-out rebate	1.6%	1.6%
Married women's reduced rate between primary threshold and upper earnings limit	4.85%	5.85%
Married women's rate above upper earnings limit	1%	2%
Employers' secondary Class 1 rate above secondary threshold	12.8%	13.8%
Employers' contracted-out rebate, salary-related schemes	3.7%	3.7%
Employers' contracted-out rebate, money-purchase schemes	1.4%	1.4%
Class 2 rate	£2.40	£2.50
Class 2 small earnings exception	£5,075 per year	£5,315 per year
Special Class 2 rate for share fishermen	£3.05	£3.15
Special Class 2 rate for volunteer development workers	£4.85	£5.10
Class 3 rate	£12.05	£12.60
Class 4 lower profits limit	£5,715 per year	£5,715 per year
Class 4 upper profits limit	£43,875 per year	£42,475 per year
Class 4 rate between lower profits limit and upper profits limit	8%	9%
Class 4 rate above upper profits limit	1%	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	2010	2011
Small Companies Rate*	21%*	20%*
Small Companies Rate can be claimed by qualifying companies with profits at a rate not exceeding	£300,000	£300,000
Marginal Small Companies Relief Lower Limit	£300,000	£300,000
Marginal Small Companies Relief Upper Limit	£1,500,000	£1,500,000
Marginal Small Company Relief (MSCR) Fraction	7/400	TBA
Main rate of Corporation Tax	28%*	26%*

\*The main rate of Corporation Tax applies when profits (including ring fence profits) are at a rate exceeding £1,500,000, or where there is no claim to another rate, or where another rate does not apply.

## 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	To	Threshold/nil rate band
6 April 2009	5 April 2014	£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
Up to £125,000	Zero
Over £125,000 to £250,000	1%
Over £250,000 to £500,000	3%
Over £500,000 to £1,000,000	4%
Over £1,000,000	5%

If the value is above the payment threshold, SDLT is charged at the appropriate rate on the whole of the amount paid. For example, a house bought for £130,000 is charged at 1 per cent, so £1,300 must be paid in SDLT. A house bought for £350,000 is charged at 3 per cent, so SDLT of £10,500 is payable.

For first time buyers the zero rate band is extended to £250,000 from 25 March 2010 for a limited period to 25 March 2012.

From April 2011 a new 5% rate will be introduced for property sales over £1m.

## RATES AND ALLOWANCES TRAVEL

Approved mileage rates from 6th April 2011

	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
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.

## COMPANY CARS ADVISORY FUEL RATES FROM 1 March 2011

These rates apply to all journeys on or after 1 December 2009 until further notice.

From the change on 1 December 2009, the revised rates will take effect from the specified date rather than one month later, allowing them to reflect fuel prices more quickly. For one month from the date of change, employers may use either the previous or new current rates, as they choose. Employers may therefore make or require supplementary payments if they so wish, but are under no obligation to do either.

Engine size	Petrol	Diesel	LPG
1400cc or less	14p	13p	10p
1401cc to 2000cc	16p	13p	12p
Over 2000cc	23p	16p	17p

## VALUE ADDED TAX (VAT)

From	4 Jan 2011	1 Jan 2010
Standard rate	20%	17.5%
VAT fraction	1/6	7/47
Reduced rate	5%	5%
<b>Current Turnover Limits</b>		
Registration - last 12 months or next 30 days		over £73,000 from 1 April 2011
Deregistration - next 12 months		under £71,000 from 1 April 2011
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 Budget Statement 23 March 2011 - 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.