

Tax Rates 2017/18

Income tax Rates and Bands

	2017/18	2016/17
Basic Rate	20%	20%
Higher Rate	40%	40%
Additional Rate/Trust Rate	45%	45%
Starting Rate for Savings Income*	0%	0%
Dividend Allowance**	£5,000	£5,000
Dividend Basic Rate	7.5%	7.5%
Dividend Higher Rate	32.5%	32.5%
Dividend Additional Rate	38.1%	38.1%
Starting Rate Limit for Savings	£5,000	£5,000
Basic Rate Band	£0-£33,500	£0-£32,000
Higher Rate Band	£33,501-£150,000	£32,001-£150,000
Additional Rate Band	Over £150,000	Over £150,000

- * The 0% starting rate is not available if taxable non-savings income exceeds £5,000.
- ** From April 2016, the old dividend tax credit was abolished and replaced with a new £5,000 tax free dividend allowance.

Income tax allowances

Personal Allowance	2017/18	2016/17
Personal Allowance*	£11,500	£11,000
Personal Allowance Income limit**	£100,000	£100,000
Income level at which PA tapers to £nil	£123,000	£122,000

Married Couples' Allowance	2017/18	2016/17
Maximum amount	£8,445	£8,355
Minimum amount	£3,260	£3,220
MCA income limit***	£28,000	£27,700
Transferable Marriage Allowance****	£1,150	£1,100

Other Allowances	2017/18	2016/17
Blind Person's Allowance	£2,320	£2,290
Personal Savings Allowance (Basic)	£1,000	£1,000
Personal Savings Allowance (Higher)	£500	£500

- * From 2016/17, the age specific personal allowances have been abolished and all taxpayers now have the same allowance.
- ** Allowances tapered by £1 for every £2 over the income limit
- *** MCA available to people born before 6 April 1935. Tax relief is restricted to 10%
- **** Available to people born after 6 April 1935. To qualify total annual income of donor must be below £11,000 and spouse/civil partner must be a BR taxpayer.

National Insurance

Class 1 (employed)	Employer	Employee
NIC rate	13.8%	12%
No NICs on the first	£157 pw	£157 pw
NICs charged at 13.8%/12% up to	No limit	£866 pw
2% NIC on earnings over	n/a	£866 pw

Entitlement to contribution-based benefits retained for earnings between £113 and £157 per week.

Class 1A (employers)	13.8% on employee taxable benefits
Class 1B (employers)	13.8% on PAYE Settlement Agreements
Class 2 (self-employed)	flat rate per week £2.85 small earnings exception £6,025 p.a.
Class 3 (voluntary)	flat rate per week £14.25
Class 4 (self-employed)	9% on profits between £8,164 and £45,000 plus 2% on profits over £45,000

High Income Child Benefit Charge/Child Benefit

	2017/18	2016/17
First child	£20.70 pw	£20.70 pw
Additional children	£13.70 pw	£13.70 pw
Guardian's Allowance	£16.70pw	£16.55pw

Tax charge of 1% on total child benefit received during the year for every £100 of income over £50,000 up to a maximum of 100% where total income exceeds £60,000.

Company Car Benefits

CO2 g/km	Taxable % of list price		
	17/18	18/19	19/20
0 - 50	9	13	16
51 - 75	13	16	19
76 - 94	17	19	22
95 - 99	18	19	23
100 - 104	19	21	24
105 - 109	20	22	25
110 - 114	21	23	26
115 - 119	22	24	27
120 - 124	23	25	28
125 - 129	24	26	29
130 - 134	25	27	30
135 - 139	26	28	31
140 - 144	27	29	32
145 - 149	28	30	33
150 - 154	29	31	34
155 - 159	30	32	35
160 - 164	31	33	36
165 - 169	32	34	37
170 - 174	33	35	37
175 - 179	34	36	37
180 - 184	35	37	37
185 - 189	36	37	37
190 + over	37	37	37

COMPANY CARS
For diesel cars add 3% Supplement but maximum still 37%

FUEL BENEFIT
£22,600 X
Appropriate %.

VAN BENEFIT
Van benefit £3,230
Per vehicle. Fuel benefit £610 Per vehicle.
The charges will not apply if a restricted private use condition is met throughout the year.

Individual Savings Accounts (ISAs)

	2017/18	2016/17
Overall limit	£20,000	£15,240
Junior ISA limit	£4,128	£4,080

Mileage Allowance Payments

Rate per mile	2017/18	2016/17
Cars and vans up to 10k miles	45p	45p
Cars and vans over 10k miles	25p	25p
Bicycles	20p	20p
Motor cycles	24p	24p

These rates represent the maximum tax-free mileage allowances for employees using their own vehicles for business. Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

Corporation Tax

Profits band	2017/18	2016/17
All profits	19%	20%

Different rates apply for ring-fenced (broadly oil industry) profit.

Capital Allowances

PLANT AND MACHINERY

• Annual Investment Allowance (AIA)

The AIA gives a 100% write-off on most types of plant and machinery costs, including integral features and long life assets but not cars, of up to £200,000 p.a. for expenditure incurred on or after 1 January 2016.

• First Year Allowance (FYA)

A 100% first year allowance may also still be available on certain energy-efficient plant and cars.

• Writing Down Allowances (WDA)

The annual rate of WDA for most plant and machinery is 18%, with an 8% WDA applying to expenditure on integral features and longlife assets.

• Cars

Cars with CO2 emissions up to 75g/km attract a 100% allowance p.a. Cars with CO2 emissions over 75g/km but not exceeding 130g/km attract 18% and cars with CO2 emissions over 130g/km attract 8%.

Tax Rates 2017/18

Capital Gains Tax

	2017/18	2016/17
Individuals – Annual Exemption	£11,300	£11,100
Trusts – Annual Exemption	£5,650	£5,550
Business assets qualifying for Entrepreneurs' Relief	10%	10%
Lifetime limit for Entrepreneurs' Relief	£10m	£10m
Basic rate tax payers*	10/18%**	10/18%**
Higher rate tax payers*	20/28%**	20/28%**

* Where the gain pushes total income and gains above the higher rate threshold.

** Higher of the two rates applicable to the disposal of certain residential property

Inheritance Tax

Chargeable transfers	2017/18	2016/17
Lifetime rate	20%	20%
Death rate *	40%	40%
Nil Rate Band **	£325k	£325K
Residence Nil Rate Band ***	£100k	Nil

* A reduced rate of IHT of 36% applies where 10% or more of the net estate is left to charity

**Transferable - so potentially increased to £650k on death of surviving spouse of civil partner

*** Subject to certain qualifying conditions a new residential nil rate band is being phased in from April 2017.

Reliefs

Annual exemption:	£3,000	Marriage
Small gifts:	£250	Parent: £5,000
		Grandparent: £2,500
		Bride/groom: £2,500
		Other: £1,000

Reduced charge on gifts within seven years of death					
Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20

Pensions

2017/18

The maximum permissible pension contributions can vary, not only as between employee and employer, but also dependent upon whether an individual is already under a pension drawdown arrangement and, if so, whether this is capped drawdown or flexi-access drawdown. The permutations are too wide-ranging to encapsulate in summary form and we would urge you to ask us for further information on this topic.

Stamp Duty + Stamp Duty Land Tax

Land and buildings 2017/18*				
Property purchased in England, Wales and NI*				
Residential			Non-residential	
Band	Main Home or Only Property	Additional Residential **	Band	
0-£125k	0%	3%	0 - £150k	0%
£125k-£250k	2%	5%	£150k - £250k	2%
£250k-£925k^	5%	8%	Over £250k	5%
£925k-£1.5m^	10%	13%	-	-
Over £1.5m^	12%	15%	-	-

* For land and property purchased in Scotland, Land and Buildings Transaction Tax replaces Stamp Duty Land Tax and different rates are applicable. Land Transaction Tax will apply in Wales from April 2018.

** A 3% higher rate charge applies to purchases of residential properties acquired as second homes or buy-to-let properties.

^ 15% charge on properties over £500k when purchased by corporate bodies and not used for a qualifying purpose.

Shares and securities – Stamp Duty is 0.5%

Value Added Tax

Standard rate:	20%
Reduced rate:	5%
Annual registration threshold from 1.4.17 (1.4.16 - 31.3.17 £83,000)	£85,000
Annual deregistration threshold from 1.4.17 (1.4.16 - 31.3.17 £81,000)	£83,000

Self Assessment: Key Dates 2016/17

- 31 July 2017: Second payment on account for 2016/17.
- 5 October 2017: Deadline for notifying HMRC of new sources of income if no tax return has been issued for 2016/17.
- 31 October 2017: Deadline for submission of 2016/17 paper tax return whereby HMRC will calculate the tax position.
- 30 December 2017: Deadline for filing of electronic tax returns for 2016/17 where the taxpayer wants a balancing payment (below £3,000) to be collected through their 2018/19 PAYE code.
- 31 January 2018: Deadline for filing electronic tax returns for 2016/17. Balancing payment due for 2016/17. First payment on account due for 2017/18.
- 28 February 2018: Deadline for payment of 2016/17 balancing tax payment before a 5% late payment surcharge is imposed by HMRC.

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The information in this tax card is based upon the 2017 Budget and other earlier announcements and may be subject to amendment by the Finance Act.