

2016/17

# Tax Rates

## Tax Rates 2016/17

### Income tax Rates and Bands

	2016/17	2015/16
Basic Rate	20%	20%
Higher Rate	10%	10%
Additional Rate/Trust Rate	20%	20%
Dividend Allowance**	£5,000	N/A
Dividend Basic Rate***	7.5%	0%(10%)
Dividend Higher Rate***	32.5%	25%(32.5%)
Dividend Additional Rate***	38.1%	30.6%(37.5%)
Starting Rate Limit for Savings	£5,000	£5,000
Basic Rate Band	£0-£32,000	£0-£31,785
Higher Rate Band	£32,001-£150,000	£31,786-£150,000
Additional Rate Band	Over £150,000	Over £150,000

\* The 0% (10%) starting rate is not available if taxable non-savings income exceeds £5,000 (£2,880).

\*\* From April 2016, the dividend tax credit will be abolished and replaced with a new £5,000 tax free dividend allowance.

\*\*\* Effective/(gross) rate

### Income tax allowances

Personal Allowance	2016/17	2015/16
Born after 5/4/1938	N/A	10,600
Born before 6/4/1938	N/A	10,660
From 2016/17 regardless of age	11,000	N/A
Age allowance income limit (for those born before 6/4/1938)*	N/A	27,700
Personal Allowance Income limit *	100,000	100,00
Income level at which PA tapers to £nil	122,000	121,200

Married couples' allowance	2016/17	2015/16
Maximum amount	8,355	8,355
Minimum amount	3,220	3,220
MCA income limit**	27,700	27,700
Transferable Marriage Allowance***	1,100	1,060

Other Allowances	2016/17	2015/16
Blind Person's Allowance	2,290	2,290
Personal Savings Allowance (Basic)	1,000	N/A
Personal Savings Allowance (Higher)	500	N/A

\* 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	£156 pw	£155 pw
NICs charged at 13.8%/12% up to	No limit	£827 pw
2% NIC on earnings over	n/a	£827 pw

Entitlement to contribution-based benefits retained for earnings between £112 and £155 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 £2.80 small earnings exception £5,965 p.a.
Class 3 (voluntary)	flat rate per week £14.10
Class 4 (self-employed)	9% on profits between £8,060 and £43,000 plus 2% on profits over £43,000

### High Income Child Benefit Charge/Child Benefit

	2016/17	2015/16
First child	£20.70 pw	£20.70 pw
Additional children	£13.70 pw	£13.70 pw
Guardian's Allowance	£16.55pw	£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			COMPANY CARS For diesel cars add 3% Supplement until 2021 but maximum still 37% (2016/17)
	16/17	17/18	18/19	
0 - 50	7	9	13	FUEL BENEFIT £22,200 X Appropriate %.
51 - 75	11	13	16	
76 - 94	15	17	19	
95 - 99	16	18	20	VAN BENEFIT Van benefit £3,170 Per vehicle. Fuel benefit £598 Per vehicle.
100 - 104	17	19	21	
105 - 109	18	20	22	
110 - 114	19	21	23	The charges will not apply if a restricted private use condition is met throughout the year.
115 - 119	20	22	24	
120 - 124	21	23	25	
125 - 129	22	24	26	
130 - 134	23	25	27	
135 - 139	24	26	28	
140 - 144	25	27	29	
145 - 149	26	28	30	
150 - 154	27	29	31	
155 - 159	28	30	32	
160 - 164	29	31	33	
165 - 169	30	32	34	
170 - 174	31	33	35	
175 - 179	33	34	36	
180 - 184	33	35	37	
185 - 189	34	36	37	
190 - 194	35	37	37	
195 - 199	36	37	37	
200 - 204	37	37	37	
205 - 209	37	37	37	
210 or over	37	37	37	

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## Individual Savings Accounts (ISAs)

	2016/17	2015/16
Overall limit	£15,240	£15,240
Junior ISA limit	£4,080	£4,080

## Mileage Allowance Payments

Rate per mile	2016/17	2015/16
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	2016/17	2015/16
All profits	20%	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. The previous rate was £500,000 p.a. Special rules apply to accounting periods straddling this date.

#### • 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 2016/17

### Capital Gains Tax

	2016/17	2015/16
Individuals – Annual Exemption	£11,100	£11,100
Trusts – Annual Exemption	£5,500	£5,500
Business assets qualifying for Entrepreneurs' Relief	10%	10%
Lifetime limit for Entrepreneurs' Relief	£10m	£10m
Basic rate tax payers	10/18%**	18/28%*
Higher rate tax payers	20/28%**	28%

\*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			
2016/17	2015/16	Death rate	Lifetime rate
0-£325k*	0-£325k*	Nil	Nil
Over £325k*	Over £325k*	40%**	20%

\* Potentially increased to £650,000 on the death of surviving spouse or civil partner.

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

### 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

2016/17

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 2016/17*				
Property purchased in England, Wales and NI**				
Residential			Non-residential	
	Main Home or Only Property	Additional Residential ***		
0-£40k	0%	0%	0 - £150k	0%
£40k-£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%	-	-

\* Payable on a band basis for both residential (since December 2014) and commercial (from 17 March 2016)

\*\* For land and property purchased in Scotland, Land and Buildings Transaction Tax replaces Stamp Duty Land Tax and different rates are applicable.

\*\*\* An additional 3% SDLT will be charged on purchases of residential properties acquired as second homes or buy-to-let properties from 1 April 2016.

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

Shares and securities - rates 0.5%

### Value Added Tax

Standard rate: .....	20%
Reduced rate: .....	5%
Annual registration threshold from 1.4.16 (1.4.15 - 31.3.16 £82,000) .....	£83,000
Annual deregistration threshold from 1.4.16 (1.4.15 - 31.3.16 £80,000) .....	£81,000

### Self Assessment: Key Dates 2015/16

- 31 July 2016:  
Second payment on account for 2015/16.
- 5 October 2016:  
Deadline for notifying HMRC of new sources of income if no tax return has been issued for 2015/16.
- 31 October 2016:  
Deadline for submission of 2015/16 paper tax return whereby HMRC will calculate the tax position.
- 30 December 2016:  
Deadline for filing of electronic tax returns for 2015/16 where the taxpayer wants a balancing payment (below £3,000) to be collected through their 2017/18 PAYE code.
- 31 January 2017:  
Deadline for filing electronic tax returns for 2015/16. Balancing payment due for 2015/16. First payment on account due for 2016/17.
- 28 February 2017:  
Deadline for payment of 2015/16 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 2016 Budget and other earlier announcements and may be subject to amendment by the Finance Act.