

## TAX FREE MILEAGE ALLOWANCES

Cars and vans	First 10,000 business miles p.a.	45p
	Thereafter	25p
Motorcycles	24p	
Bicycles	20p	
Business passenger	5p	

### ■ Fuel only allowance for company cars

From 1 March 2014	Petrol	Diesel	LPG
Up to 1400cc*	14p	12p	9p
1401**-2000cc	16p	14p	11p
Over 2000cc	24p	17p	17p

These rates may change within the tax year.

\*1600cc for petrol \*\*1601cc for diesel.

Hybrid cars are treated as either petrol or diesel cars.

## VEHICLE AND FUEL BENEFITS IN KIND (BIK)

The taxable BIK is calculated as a percentage of the car's UK list price. The percentage depends on the car's CO<sub>2</sub> emissions in grams per kilometre (g/km).

Emissions	Petrol	Diesel
1 – 75g/km	5%	8%
76 – 94g/km	11%	14%
95 – 99g/km	12%	15%
Over 99g/km	add 1% for every 5g/km	
Over 210g/km*	35% maximum	

\*Over 195g/km for diesel.

Chargeable on employees earning £8,500 or over (including BIK) and directors. The list price is on the day before first registration, including most accessories and is reduced by any employee's capital contribution (max £5,000) when the car is first made available.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage (above) to £21,700 (2013/14 £21,100).

Vans where private use is more than home to work travel; £3,090 benefit and £581 for private fuel. Payments by employees for private use may reduce the BIK.

## VALUE ADDED TAX

From 1 April	2014	2013
Standard rate	20%	20%
VAT fraction	1/6	1/6

### ■ Taxable turnover limits

Registration (last 12 months or next 30 days over)	£81,000	£79,000
Deregistration (next year under)	£79,000	£77,000
Annual accounting scheme	£1,350,000	£1,350,000
Cash accounting scheme	£1,350,000	£1,350,000
Flat rate scheme	£150,000	£150,000

## STAMP TAXES

Stamp duty is payable at a rate of 0.5% on certain transfers of shares and securities of £1,000 and over.

On the transfer of residential property			
£0-£125,000	nil	£500,001-£1,000,000	4%*
£125,001-£250,000	1%	£1,000,001-£2,000,000	5%*
£250,001-£500,000	3%	over £2,000,000	7%*

\*15% for purchases by certain non-natural persons including corporate bodies.

## DUE DATES FOR TAX PAYMENTS

Income tax and class 4 NIC	2014/15	2013/14
1st payment on account (31 January)	2015	2014
2nd payment on account (31 July)	2015	2014
Balancing payment (31 January)	2016	2015
Capital gains tax (31 January)	2016	2015
Inheritance tax	Normally six months after the end of the month in which death occurs.	

### Corporation tax

**Small and medium companies**  
Nine months and one day after the end of the accounting period.

**Large companies**  
Four quarterly instalments commencing six and a half months into the accounting period.

# TAX CARD 2014/15

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## TAXABLE INCOME BANDS AND TAX RATES

	2014/15	2013/14
Savings starting rate limit	£2,880	£2,790
Savings starting rate	10%	10%
Basic rate band	£31,865	£32,010
Basic rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate band	£31,866-£150,000	£32,011-£150,000
Higher rate	40%	40%
Dividend upper rate	32.5%	32.5%
Additional rate band	over £150,000	over £150,000
Additional rate	45%	45%
Dividend additional rate	37.5%	37.5%

### ■ Allowances that reduce taxable income

		2014/15	2013/14
Personal allowance	Born after 5 April 1948	£10,000	£9,440
	Born between 6 April 1938 and 5 April 1948	£10,500	£10,500
	Born before 6 April 1938	£10,660	£10,660
Blind person's allowance		£2,230	£2,160

The higher personal allowances are reduced by £1 for each £2 of income above £27,000 (2013/14, £26,100), until £10,000 (2013/14, £9,440) is reached. This is further reduced by £1 for each £2 of income from £100,000 to £120,000 (2013/14, £118,880).

### ■ Allowances that reduce tax

	2014/15	2013/14
Married couple's allowance (MCA) tax reduction	£816.50	£791.50

Available to people born before 6 April 1935. The age for MCA is of the elder spouse or civil partner. The loss of tax reduction is 10p for each £2 of income above £27,000 (2013/14, £26,100) until £314 (2013/14, £304) is reached.

## HIGH INCOME CHILD BENEFIT CHARGE

	2014/15	2013/14
Threshold	£50,000	£50,000

There is a tax charge of 1% of the child benefit received for each £100 that the threshold is exceeded up to a maximum of 100%.

## INHERITANCE TAX

	2014/15	2013/14
Single person's threshold	£325,000	£325,000
Combined threshold limit for married couples and civil partners	£650,000	£650,000

### ■ Tax rates

	2014/15	2013/14
Main rate	40%	40%
Chargeable on lifetime transfers	20%	20%
Transfers on or within seven years of death	40%	40%
Reduced rate	36%	36%

All lifetime transfers not covered by exemptions and made within seven years of death will be added back into the estate for the purposes of calculating the tax payable. This may then be reduced as follows:

Years before death	0-3	3-4	4-5	5-6	6-7
Tax reduced by	0%	20%	40%	60%	80%

### ■ Main exemptions

- Most transfers between spouses and between civil partners.
- First £3,000 of lifetime transfers in any tax year plus any unused from the previous year.
- Gifts up to £250 p.a. to any number of persons.
- Gifts made out of income that form part of normal expenditure and do not reduce the standard of living.
- Gifts in consideration of marriage/civil partnership up to £5,000 by a parent, £2,500 by grandparents, or £1,000 by anyone else.
- Gifts to charities, whether made during lifetime or on death.

## CAPITAL GAINS TAX

	2014/15	2013/14	
Lower rate	18%	18%	
Higher rate	28%	28%	
Annual exemption	Individuals	£11,000	£10,900
	Settlements	£5,500	£5,450
Entrepreneurs' relief	Applicable rate	10%	10%
	Lifetime limit	£10m	£10m

## NATIONAL INSURANCE

### ■ Class 1 (not contracted out)

	Employer	Employee
Lower earnings limit	n/a	£111
Payable on weekly earnings of £111-£153	0%	0%
Payable on weekly earnings of £153.01-£805	13.8%	12%
Over £805	13.8%	2%
Over state retirement age	13.8%	0%
Employment allowance	£2,000*	n/a

\* Per employer, per year.

### ■ Class 1A

On relevant benefits	13.8%	N/A
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### ■ Class 2

Self employed	£2.75 per week
Limit of net earnings for exception	£5,885 per annum

### ■ Class 3

Voluntary	£13.90 per week
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### ■ Class 4\*

Self employed on profits £7,956-£41,865	9%
Over £41,865	2%

\* Exemption applies if the state retirement age is reached by 6 April 2014.

## PENSION CONTRIBUTIONS

Maximum annual tax-efficient gross contributions to age	74	
- individuals	£3,600 or 100% of net relevant earnings to £40,000*	
- employers	£40,000 less employee contributions	
Normal age for accessing benefits	55	
Lifetime allowance charge	lump sum paid	55%
	monies retained	25%
On cumulative benefits exceeding	£1,250,000**	
Maximum tax-free lump sum	25%**	

\* The annual contribution may be increased to include the unused amounts from the previous three years, subject to specific conditions.

\*\* Subject to protection for excess amount.

## NISA, ISA AND JUNIOR ISA

		01/07/14 to 05/04/15	06/04/14 to 30/06/14	2013/14
NISA/ISA	Annual investment limit	£15,000 combined limit*	£11,880	£11,520
	Including cash maximum of		£5,940	£5,760
Junior ISA	Annual investment limit	£4,000*	£3,840	£3,720

\* 2014/15 total

## CORPORATION TAX

Financial year to 31 March	2015	2014	
Taxable profits	First £300,000	20%	20%
	Next £1,200,000	21.25%	23.75%
	Over £1,500,000	21%	23%

## MAIN CAPITAL ALLOWANCES

### ■ Initial allowances

First year allowance: for certain environmentally beneficial equipment, electric and low CO <sub>2</sub> emission (up to 95g/km) cars	100%
Annual investment allowance: on first £500,000 of investment (excludes cars)	100%

### ■ Writing down allowances

Other plant and machinery	18%	
Long-life assets, integral features of buildings, thermal insulation	8%	
Cars	96g/km – 130g/km	18%
	Over 130g/km	8%

## INVESTMENT RELIEFS

Enterprise investment scheme	Limit	£1,000,000
	Relief rate	30%
Venture capital trust	Limit	£200,000
	Relief rate	30%
Seed enterprise investment scheme	Limit	£100,000
	Relief rate	50%

## IMPORTANT NOTICE

These rates and allowances are for information only. Contact us to discuss your planning.