



TAX CARD

JULY 2015



red emerald

chartered accountants and chartered tax advisers

IMPORTANT NOTICE: Summer Budget 2015 version
These rates and allowances are information only.
Contact us to discuss your planning.

TAX FREE MILEAGE ALLOWANCES

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

Note: For NI purposes: 45p for all business miles.

■ Fuel only allowance for company cars

From 1 March 2015	Petrol	Diesel	LPG
Up to 1400cc*	11p	9p	8p
1401** – 2000cc	13p	11p	10p
Over 2000cc	20p	14p	14p

These rates may change within the tax year. *1600cc for diesel **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 CO₂ emissions in grams per kilometre (g/km).

Emissions	Petrol	Diesel
0 – 50g/km	5%	8%
51 – 75g/km	9%	12%
76 – 94g/km	13%	16%
Over 94g/km	add 1% for every 5g/km	
210g/km* and over	37% maximum	

* 195g/km and over 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 £22,100 (2014/15 £21,700).

Vans where private use is more than home to work travel; £3,150 (2014/15, £3,090) benefit and £594 (2014/15, £581) for private fuel. Payments by employees for private use may reduce the BIK. Vans with zero emissions have a benefit of £630.

VALUE ADDED TAX

From 1 April	2015	2014
Standard rate	20%	20%
VAT fraction	1/6	1/6

■ Taxable turnover limits

Registration (last 12 months or next 30 days over)	£82,000	£81,000
Deregistration (next year under)	£80,000	£79,000
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.

The incremental rate of stamp duty land tax is only payable on the part of the property price within each duty band.

On the transfer of residential property			
Up to £125,000	0%	£925,001 to £1,500,000	10%
£125,001 to £250,000	2%	Over £1,500,000	12%
£250,001 to £925,000	5%	Over £500,000	15%*

*For purchases by certain non-natural persons.

■ Land and buildings transaction tax in Scotland

On the transfer of residential property			
Up to £145,000	0%	£325,001 to £750,000	10%
£145,001 to £250,000	2%	Over £750,000	12%
£250,001 to £325,000	5%		

ISA AND JUNIOR ISA

Annual investment limit	2015/16	2014/15*
ISA	£15,240	£15,000
Junior ISA	£4,080	£4,000

* From 1 July 2014.

TAXABLE INCOME BANDS AND TAX RATES

	2015/16	2014/15
Savings starting rate limit	£5,000*	£2,880
Savings starting rate	0%	10%
Basic rate band	£31,785	£31,865
Basic rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate band	£31,786-£150,000	£31,866-£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%

* Savings income falling into the first £5,000 may be taxed at 0% for certain low income earners.

■ Allowances that reduce taxable income

		2015/16	2014/15
Personal allowance	Born after 5 April 1948	£10,600	£10,000
	Born between 6 April 1938 and 5 April 1948*	£10,600	£10,500
	Born before 6 April 1938*	£10,660	£10,660
Married couples/civil partners transferable allowance		£1,060	N/A
Blind person's allowance		£2,290	£2,230

* The higher personal allowances are reduced by £1 for each £2 of income above £27,700 (2014/15, £27,000), until £10,600 (2014/15, £10,000) is reached. This is further reduced by £1 for each £2 of income from £100,000 to £121,200 (2014/15, £120,000).

■ Allowances that reduce tax

	2015/16	2014/15
Married couple's allowance (MCA) tax reduction	£835.50	£816.50

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 £27,700 (2014/15, £27,000) until £322 (2014/15, £314) is reached.

■ High income child benefit charge

	2015/16	2014/15
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

	2015/16	2014/15
Single person's threshold	£325,000	£325,000
Combined threshold limit for married couples and civil partners	£650,000	£650,000

■ Tax rates

	2015/16	2014/15
Main rate	40%	40%
Chargeable on lifetime transfers	20%	20%
Transfers on or within seven years of death	40%	40%
Reduced rate*	36%	36%

* Applies if 10% or more of net estate given to charity.

All lifetime transfers not covered by exemptions and made within 7 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

1. Most transfers between spouses and between civil partners.
2. First £3,000 of lifetime transfers in any tax year plus any unused from the previous year.
3. Gifts up to £250 p.a. to any number of persons.
4. Gifts made out of income that form part of normal expenditure and do not reduce the standard of living.
5. Gifts in consideration of marriage/civil partnership up to £5,000 by a parent, £2,500 by grandparents, or £1,000 by anyone else.
6. Gifts to charities, whether made during lifetime or on death.
7. A £175,000 transferrable allowance for residential property passed to children or grandchildren will be phased in from 2017.

CORPORATION TAX

Financial year to 31 March		2016	2015
Taxable profits	Main rate	20%	21%
	First £300,000	N/A	20%
	Next £1,200,000	N/A	21.25%
	Over £1,500,000	N/A	21%

NATIONAL INSURANCE

■ Class 1 (not contracted out)

Employee		Employer	
Earnings per week			
Up to £155	0%	Up to £156	0%
£155.01 - £815	12%	Over £156	13.8%*
Over £815	2%		
Over state pension age	0%	Over state pension age	13.8%

* 0% under 21 on earnings up to £815 per week.

■ Class 1A

On relevant benefits	13.8%
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■ Class 2

Self employed	£2.80 per week
Small profits threshold	£5,965 per annum

■ Class 3

Voluntary	£14.10 per week
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■ Class 4*

Self employed on profits £8,060-£42,385	9%
Over £42,385	2%

* Exemption applies if the state retirement age is reached by 6 April 2015.

■ Employment allowance

Per employer, per year	£2,000*
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* 1 claim only for companies in a group or under common control.

PENSION CONTRIBUTIONS

Individuals	£3,600 or 100% of net relevant earnings to £40,000*
Employers	£40,000* less employee contributions
Minimum age for accessing benefits	55
Lifetime allowance	£1,250,000

* Plus unutilised allowances from the 3 previous years. £10,000 limit may apply if in income drawdown.

Pension contributions for additional rate taxpayers will be tapered to a minimum of £10,000 a year from April 2016.

CAPITAL GAINS TAX

		2015/16	2014/15
Lower rate		18%	18%
Higher rate		28%	28%
Annual exemption	Individuals	£11,100	£11,000
	Settlements	£5,550	£5,500
Entrepreneurs' relief	Applicable rate	10%	10%
	Lifetime limit	£10m	£10m

MAIN CAPITAL ALLOWANCES

■ Initial allowances

First year allowance: for certain environmentally beneficial equipment, electric and low CO ₂ emission (up to 75g/km) cars - must be new and unused	100%
Annual investment allowance: on first £500,000 of investment to 31 December 2015* (excludes cars)	100%

* Allowance from 1 January 2016 will be £200,000.

■ Writing down allowances

Other plant and machinery	18%	
Long-life assets, integral features of buildings, thermal insulation	8%	
Cars	76g/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%

DUE DATES FOR TAX PAYMENTS

Income tax and class 4 NIC	2015/16	2014/15
1st payment on account (31 January)	2016	2015
2nd payment on account (31 July)	2016	2015
Balancing payment (31 January)	2017	2016
Capital gains tax (31 January)	2017	2016
Inheritance tax	Normally 6 months after the end of the month in which death occurs	

Corporation tax

Small and medium companies

9 months and 1 day after the end of the accounting period

Large companies

4 quarterly instalments commencing 6 and a half months into the accounting period

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