

Income Tax

Rates

	%	2014/15	%	2013/14
Basic	20	Up to £31,865	20	Up to £32,010
Higher	40	Between £31,866 and £150,000	40	£32,011 and £150,000
Additional	45	Above £150,000	50	Above £150,000

- Non-savings income is taxed as the first slice of income followed by savings income and then dividends.
- Dividends falling into the basic rate band are taxed at 10%. The higher rate of tax for dividends is 32.5% and the additional rate of tax for dividends is 37.5%. This is reduced by the dividend tax credit.
- Starting rate for savings income £2,880 (2013/14 £2,790) is 10%.

Allowances

	2014/15	2013/14
Personal Allowance:		
Aged up to 64	£10,000	£9,440*
Aged 65 to 74**	£10,500	£10,500*
Aged 75 and over**	£10,660	£10,660*

* The personal allowance is reduced by £1 for every £2 of income above £100,000

** Subject to conditions

- A £30,000 levy applies to certain non-UK domiciled individuals wishing to use the remittance basis of taxation where they have been in the UK seven out of the previous nine years. For individuals in the UK for 12 out of the previous 14 years a £50,000 levy applies.

National Insurance Contributions

Rates

2014/15		
Class 1 (Earnings related)	Not contracted out	Contracted out
Weekly earnings		
Employees		
First £153	Nil	Nil
£153.01 - £770	12%	9.4%
£770.01 - £805	12%	12%
Over £805	2%	2%
Employers	NCO	
Weekly earnings		
First £153	Nil	
£153.01 - £770	13.8%	
Over £770	13.8%	
Class 1A (Employer only on benefits in kind)	13.8%	
Class 2 (self-employed flat rate)	£2.75 per week	
Small earnings exception	£5,885 per year	
Class 3 (voluntary)	£13.90 per week	
Class 4 (self-employed)	£7,956 per year	
Lower profits limit (LPL)	£41,865 per year	
Upper profits limit (UPL)		
Rate	9%	
- between LPL - UPL	2%	
- above UPL		

Stamp Taxes

	Stamp Duty Land Tax (SDLT)		Stamp Duty / SDRT
Rate payable on chargeable consideration	UK land transactions		Transfers of shares
	Residential	Non-residential or mixed use	
1%	£125,001 - £250,000	£150,001-£250,000	0.5%
3%	£250,001 - £500,000	£250,001 - £500,000	
4%*	£500,000 - £1m	£500,001+	
5%*	£1m - £2m	N/A	
7%*	Above £2m		

*A rate of 15% applies for acquisitions by certain non-natural persons (i.e. companies) on residential property over £500,000.

- Special rules apply to lease rentals.

SEED Enterprise Investment Scheme	2014/15	2013/14
Maximum investment for income tax relief	£100,000	£100,000
Rate of income tax relief	50%	50%

- Taxable chargeable gains, limited to half of SEIS investment exempt.
- Disposals of SEIS shares exempt from CGT.

Enterprise Investment Scheme	2014/15	2013/14
Maximum investment for income tax relief	£1,000,000	£1,000,000
Rate of income tax relief	30%	30%

- Disposal of EIS shares exempt from CGT.

Venture Capital Trust	
Maximum investment	£200,000 per annum
Income tax relief	30% on investment

Capital Gains Tax

Rates

Companies pay corporation tax on capital gains after indexation allowance at their normal rate. Gains and losses on sales of shareholdings of 10% or more in trading companies or trading groups are exempt, subject to certain exclusions.

Capital gains realised by individuals are taxed at a flat rate of 18% for basic rate taxpayers and 28% for higher or additional rate taxpayers. A rate of 10% applies to eligible gains up to £10m on assets qualifying for Entrepreneurs' Relief.

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Reliefs

	2014/15	2013/14
Annual gains exemption for individuals	£11,000	£10,900
Annual gains exemption for Trusts	£5,550	£5,450
Principal Private Residence*	100%	100%
Entrepreneurs' Relief (cumulative lifetime allowance)	£10,000,000	£10,000,000

*Subject to conditions.

Pensions

	2014/15	2013/14
Annual contribution allowance 100% of salary		
Up to	£40,000	£50,000
Permitted pension contribution (irrespective of salary)	£3,600	£3,600
Lifetime benefit allowance	£1,250,000	£1,500,000

Significant changes to pensions with effect from 27 March 2014.

Individual Savings Accounts (ISA)

Rates

	1 July 2014 - 5 April 2015	6 April 2014- 30 June 2014	2013/14
Total maximum of contributions of which:	£15,000	£11,880	£11,520
Maximum investment into cash	-	£5,940	£5,760
Maximum investment into shares	-	£11,880	£11,520
Joint cash and shares	£15,000	-	-
Junior ISA Maximum contribution	£4,000	£3,840	£3,720

- From 1 July 2014 a New ISA (NISA) to be introduced with a combined subscription limit of £15,000 for cash and shares.
- Income and gains on ISA investments are tax free.
- Junior ISA available for under 18s with no child trust fund.

Inheritance Tax

Rates

	2014/15	2013/14
Nil	Up to £325,000	Up to £325,000
40%	Above £325,000	Above £325,000

- Any unused nil-rate band may be transferred to the deceased's spouse or civil partner.
- On death, any gifts made within the previous seven years will become taxable, but the tax payable will be reduced by tapering relief if the donor has survived at least three years.
- Certain lifetime gifts are subject to inheritance tax. In these cases tax is charged at 20%.
- Various reliefs and exemptions, including annual gifts up to £3,000 are available.

Car and Car Fuel Benefits

Cars

The taxable benefit in kind is a percentage of the car's list price according to the car's carbon dioxide emissions measured in grams per km and rounded down to the nearest 5g/km. There is a supplementary charge of 3% for diesel cars until April 2016 but will not take the total percentage beyond the maximum of 35%.

Car Fuel

The taxable benefit in respect of fuel provided by an employer is the 'appropriate percentage' of £21,700 (2014/15) where the appropriate percentage is the figure (from 10% to 35%) used to determine the taxable benefit in respect of the provision of the car.

Approved Mileage Allowance Payments

	2014/15	2013/14
Own cars and vans		
Up to 10,000 miles (per mile)	45p	45p
Over 10,000 miles (per mile)	25p	25p

Value Added Tax

	From 1 April 2014
Standard rate	20%
Lower rate	5%
Registration limit - annual turnover above	£81,000
Deregistration threshold	£79,000
Simplified arrangements - annual turnover below	£1,350,000

Corporation Tax

	From 1 April	
	2014	2013
Main rate	21%	23%
Small companies rate*	20%	20%
Where profits**	£0 - £300,000	£0 - £300,000
Marginal relief where profits**	£300,000 - £1,500,000	£300,000 - £1,500,000
Marginal relief fraction	1/400	3/400
Profit threshold for quarterly instalment payments**	£1,500,000	£1,500,000

* Ring fence profits from UK oil extraction and rights taxed at 19% with marginal relief fraction of 11/400.

**Reduced by reference to number of associated companies.

Capital Allowances

	2014/15
- main writing down allowance rate	18%
- special rate pool (long life assets and integral features within a building)	8%
- energy saving/environmentally beneficial assets	100%
- 100% Annual Investment Allowance on expenditure up to	£500,000
Motor cars (CO²)	
(if not second hand) low emission less than or equal to 95g/km	100%
Emissions less than or equal to 130g/km	18%
Emissions greater than 130g/km	8%
Industrial buildings, hotels, agricultural buildings*	1%
Commercial or industrial building in an enterprise zone	100%
Research and development	100%
Business Premises Renovation Allowance	100%

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