

Tax Tables 2015/16



Income Tax

Rates

	%	2015/16	%	2014/15
Basic	20	Up to £31,785	20	Up to £31,865
Higher	40	Between £31,786 and £150,000	40	£31,866 and £150,000
Additional	45	Above £150,000	45	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 £5,000 (2014/15 £2,880) may be taxed at 0% for some low income earners.

Allowances

	2015/16	2014/15
Personal Allowance:		
Aged up to 64	£10,600	£10,000*
Aged 65 to 74**	£10,600	£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 £60,000 levy applies. New levy of £90,000 effective 2015/16 for individuals in the UK 17 out of previous 20 years.

National Insurance Contributions

Rates

2015/16	
Class 1 (Earnings related)	Not contracted out
Weekly earnings	
Employees	
First £155	Nil
£155.01 - £770	12%
£770.01 - £815	12%
Over £815	2%
Employers	NCO
Weekly earnings	
First £156	Nil
£156.01 - £770	13.8%
Over £770	13.8%
Employment Allowance	£2,000
Class 1A (Employer only on benefits in kind)	13.8%
*Class 2 (self-employed flat rate)	£2.80 per week
Small earnings exception	£5,965 per year
Class 3 (voluntary)	£14.10 per week
Class 4 (self-employed)	
Lower profits limit (LPL)	£8,060 per year
Upper profits limit (UPL)	£42,385 per year
Rate	
- between LPL - UPL	9%
- above UPL	2%

*Class 2 NIC to be abolished with consultation in 2015 on reforms to Class 4 contributions.

Stamp Taxes

		Stamp Duty Land Tax (SDLT)	Stamp Duty / SDRT
Rate payable on chargeable consideration		UK land transactions	
	Residential		Transfers of shares
2%	£125,001 - £250,000	1%	£150,001 - £250,000
5%	£250,001 - £925,000	3%	£250,001 - £500,000
10%	£925,001 - £1.5m	4%	£500,001+
12%	Above £1.5m		
15%*	Above £500K		

Subject to certain conditions

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

SEED Enterprise Investment Scheme	2015/16	2014/15
Maximum investment for income tax relief	£100,000	£100,000
Rate of income tax relief*	50%	50%

Disposal of SEIS shares exempt from CGT

*Shares must be held for at least three years

Enterprise Investment Scheme	2015/16	2014/15
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

A claim may be made to carry back relief one year

*Shares must be held for at least three years

Venture Capital Trust	
Maximum investment – income tax	£200,000 per annum
Rate of income tax relief*	30%

Disposals of VCT shares are exempt from CGT

*Shares must be held for at least five years

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.

Reliefs

	2015/16	2014/15
Annual gains exemption for individuals	£11,100	£11,000
Annual gains exemption for Trusts	£5,550	£5,500
Principal Private Residence*	100%	100%
Entrepreneurs' Relief (cumulative lifetime allowance)	£10,000,000	£10,000,000
*Subject to conditions		

Individual Savings Accounts (ISA)

Rates

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

Income and gains on ISA investments are tax free.
Junior ISA available for under 18s with no child trust fund

Inheritance Tax

Rates

	2015/16	2014/15
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 37%.

Car Fuel

The taxable benefit in respect of fuel provided by an employer is the 'appropriate percentage' of £22,100 (2015/16).

Approved Mileage Allowance Payments

	2015/16	2014/15
Own cars and vans		
Up to 10,000 miles (per mile)	45p	45p
Over 10,000 miles (per mile)	25p	25p

Pensions

	2015/16	2014/15
Annual contribution allowance 100% of salary		
Up to	£40,000	£40,000
Permitted pension contribution (irrespective of salary)	£3,600	£3,600
Lifetime benefit allowance	£1,250,000	£1,500,000

Value Added Tax

	From 1 April 2015
Standard rate	20%
Lower rate	5%
Registration limit - annual turnover above	£82,000
Deregistration threshold	£80,000
Simplified arrangements - annual turnover below	£1,350,000

Corporation Tax

	From 1 April 2015	
	2015	2014
Main rate	20%	21%
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	N/A	1/400
Profit threshold for quarterly instalment payments**	£1,500,000	£1,500,000

* Reduced by reference to number of associated companies

Capital Allowances

	2015/16
- 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 75g/km	100%
Emissions exceed 75g/km but not 130g/km	18%*
Emissions exceed 130g/km	8%*
Commercial or industrial building in an enterprise zone	100%
Research and development	100%
Business Premises Renovation Allowance	100%

*Limits to be confirmed

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