



Fuller Spurling

CHARTERED ACCOUNTANTS

Mill House, 58 Guildford Street, Chertsey, Surrey KT16 9BE

Tel: 01932 564098 Fax: 01932 562638

90 High Street, Sandhurst, Berkshire GU47 8EE

Tel: 01252 877477 Fax: 01252 875115

E-mail: mail@fuller-spurling.co.uk

Website: www.fuller-spurling.co.uk



Tax Data

2010/11

Income Tax

	2010-11	2009-10
Basic rate band – income up to	£37,400	£37,400
Starting rate for savings	*10%	*10%
Basic rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate – income over	£37,400	£37,400
Higher rate	40%	40%
Dividend upper rate	32.5%	32.5%
Additional rate – income over	£150,000	-
Additional rate	50%	-
Dividend additional rate	42.5%	-

*Starting rate is for savings income up to the starting rate limit of £2,440 within the basic rate band. The rate applies to any balance of the limit remaining after allocating taxable non-savings income.

Personal allowances (PA)		
– under 65	*£6,475	*£6,475
– 65 to 74	*£9,490	*£9,490
– 75 and over	*£9,640	*£9,640

Married couple's allowance (MCA)

Either partner born before 6 April 1935

(relief restricted to 10%)

Ages are as at the end of the tax year.

*Age-related allowances are reduced by £1 for every £2 that adjusted net income exceeds £22,900 to a minimum PA of £6,475 and to a minimum MCA of £2,670. For 2010-11, where adjusted net income exceeds £100,000, PA is reduced in the same way until it becomes nil.

Tax Shelters

Enterprise Investment Scheme up to	£500,000	£500,000
Venture Capital Trust up to	£200,000	£200,000
'Rent a Room' exempt on gross annual rent	£4,250	£4,250
Construction Industry Scheme deduction rate	20/30%	20/30%

Pensions and ISAs

Pensions: There is no financial limit on the amount that may be contributed to a registered pension scheme. The maximum amount on which an **individual** can claim tax relief in any tax year is the greater of the individual's UK relevant earnings or £3,600. If **total pension input** exceeds the **annual allowance** of £255,000 there is a tax charge on the excess.

This limit does not apply in the year that full pension benefits are taken.

Maximum age for tax relief is 74 and minimum age for taking benefits is 55.

Lifetime allowance charge – lump sum paid 55% and monies retained 25% on cumulative benefits exceeding £1,800,000. Maximum tax-free lump sum 25% (subject to transitional protection for excess amount). A charge may apply in respect of contributions where an individual has relevant income of £130,000 or more.

ISAs: Overall investment limit is £10,200 including cash maximum of £5,100.

Vehicles

Company Car Benefits

The taxable benefit is calculated as a percentage of the car's UK list price. The calculation begins with the car's CO₂ emissions in grams per kilometre. Then deduct 130 and divide this result by 5. Round down (4.9 = 4) and then add 15 (petrol) or 18 (diesel). The result is the taxable percentage. Minimum rate* on petrol is 15% and diesel is 18%. Maximum rate on petrol is 35% and diesel is 35%. *Special rules apply to some other environmentally friendly cars.

Chargeable on employees earning £8,500 or over (including benefits) and directors

♣ The list price relates to the day before first registration and includes accessories. The price is subject to an upper limit of £80,000 ♣ The list price is reduced by the employee's capital contribution, subject to a maximum deduction of £5,000 ♣ Special rules apply to cars at least 15 years old with a market value of £15,000 or more ♣ **Van**, no benefit for certain environmentally friendly vans or if restricted private use condition met; otherwise van benefit £3,000, fuel £550 ♣ Payments by employees for private use may reduce the above benefits.

HM Revenue & Customs (HMRC) Mileage Rates

Employees using their own car for business: approved rates are 40p per mile for the first 10,000 miles and 25p thereafter. Income tax and NICs may be due on higher rates and tax relief may be due on lower rates. **Company cars:** from time to time HMRC publish advisory fuel rates which apply where employees are reimbursed for business travel or are required to repay the cost of fuel for private travel.

Company Car Fuel Benefit: Where the cost of **all** fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the taxable benefit is calculated as the car benefit percentage (see above) of **£18,000**. VAT is payable by the business by reference to the CO₂ emissions (rounded down to next multiple of 5) as follows:

VAT fuel scale charges for 3 month return periods beginning on/after 1 May 10

CO ₂ in g/km	Scale charge £	CO ₂ in g/km	Scale charge £	CO ₂ in g/km	Scale charge £
120 or less	141	160	297	195	397
121 to 134	212	165	312	200	411
135	227	170	326	205	425
140	241	175	340	210	439
145	255	180	354	215	454
150	269	185	368	220	468
155	283	190	383	225	482
				230 or over	496

Corporation Tax

Financial Year to		31 March 2011	31 March 2010
Taxable Profits	First	21%	21%
	Next	29.75%	29.75%
	Over	28%	28%

Stamp Taxes

Stamp duty is generally payable at a rate of 0.5% on transfers of shares and securities. On the transfer of property, the stamp duty land tax is:

Value up to £125,000* – nil ❖ Over £125,000* to £250,000 – 1%**

❖ Over £250,000 to £500,000 – 3% ❖ Over £500,000 – 4%

*£150,000 for non-residential property, and residential property in disadvantaged areas.

Special rules apply for new zero-carbon homes. **Relief available for first time buyers of residential property.

Capital Allowances

Plant and Machinery: Energy saving and environmentally beneficial equipment, low CO₂ emission (up to 110g/km) cars, natural gas/hydrogen refuelling equipment first year allowance (FYA) **100%** • Annual Investment Allowance (AIA) **100%*** - on first £100,000 of investment (£50,000 for expenditure incurred before 6 April 2010 or 1 April 2010 for companies). Excludes cars and expenditure already qualifying for 100% FYA • Writing Down Allowance on expenditure not qualifying for AIA or FYA: Long-life assets, integral features of buildings, cars over 160g/km **10%*** • Other plant and machinery **20%*** • Industrial and agricultural buildings and hotels (on building cost) **1%*** • Enterprise Zone Allowance, conversion of parts of business premises into flats, business premises renovation max initial allowance **100%** • *Transitional rules may apply.

National Insurance Contributions

Class 1 (not contracted out)	Employer	Employee
Payable on weekly earnings of		
£97 (lower earnings limit) to £110	0%	0%
£110.01 – £770 (upper accrual point)	12.8%	11%
£770.01 – £844 (upper earnings limit)	12.8%	11%
Over £844	12.8%	1%
Over state retirement age, the employee contribution is generally nil.		
Class 1A On relevant benefits	12.8%	Nil
Class 2 Self employed		£2.40 per week
Limit of net earnings for exception		£5,075 per annum
Class 3 Voluntary		£12.05 per week
Class 4* Self employed on profits £5,715 – £43,875	8%	
Excess over £43,875	1%	

*Exemption applies if state retirement age was reached by 6 April 2010.

Capital Gains Tax

	2010-11	2009-10
On chargeable gains	18%	18%
Entrepreneurs' relief - This will reduce the chargeable gain on qualifying assets by 4/9 – an effective rate of 10%. Claims may be made on more than one occasion, up to a "lifetime" total of £2 million (£1 million before 6 April 2010). • Annual exempt amount - individuals £10,100 & most trustees £5,050 • Transfers between spouses and civil partners are generally not chargeable.		

Inheritance Tax

	2010-11	2009-10			
Standard threshold	£325,000	£325,000			
Combined threshold maximum for married couples and civil partners	£650,000	£650,000			
Rate of tax on balance:					
Chargeable lifetime transfers	20%	20%			
Transfers on, or within 7 years of, death	40%	40%			
All lifetime transfers not covered by exemptions and made within 7 years of death will be added back into the estate for the purpose of calculating the tax payable. Tax attributable to such transfers is then reduced:					
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 civil partners • The first £3,000 of lifetime transfers in any tax year plus any unused balance from the previous year • Gifts of up to but not exceeding £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 of up to £5,000 by a parent, £2,500 by a grandparent, or £1,000 by any other person • Gifts to charities, whether made during lifetime or on death.

Value Added Tax

From	1 Jan 2010	1 Dec 2008
Standard Rate	17.5%	15%
VAT Fraction	7/47	3/23
Reduced Rate	5%	5%
Current Turnover Limits		
Registration – last 12 mths/next 30 days over	£70,000 from 1 April 2010	
Deregistration – next year under	£68,000 from 1 April 2010	
Annual Accounting Scheme	£1,350,000	
Cash Accounting Scheme	£1,350,000	
Flat Rate Scheme	£150,000	

Selected Rates

Basic Retirement Pension	– Single person	£97.65		
	– Couple	£156.15		
Pension Credit				
Standard Minimum Guarantee	– Single person	£132.60		
	– Couple	£202.40		
Child Benefit	– First eligible child	£20.30		
	– Each subsequent child	£13.40		
Statutory Pay	qualification - average weekly earnings (AWE) £97 or over.			
Sick (SSP)	The standard rate is £79.15 per week for up to 28 weeks.			
Maternity (SMP), Adoption (SAP) and Paternity (SPP)	paid at the lower of £124.88 or 90% of AWE apart from first 6 weeks of SMP which is paid at 90% of AWE.			
	SMP and SAP are payable for up to 39 weeks. SPP is payable for up to 2 weeks.			
Jobseeker's Allowance	– Single person	£65.45		
	– Couple	£102.75		
National Minimum Wage:	Age	22 and over	18-21	16 and 17
	From 1 October 2009	£5.80 p.h.	£4.83 p.h.	£3.57 p.h.
	From 1 October 2010	main rate applies to 21 and over and is £5.93 p.h.		

Key Dates & Deadlines

Payment Dates

Income Tax and Class 4 NICs		2010-11	2009-10
1st payment on account	31 January	2011	2010
2nd payment on account	31 July	2011	2010
Balancing payment	31 January	2012	2011
Capital Gains Tax	31 January	2012	2011
Class 1A NICs	19 July	2011	2010
Corporation Tax	9 months and one day after the end of accounting period (or by quarterly instalments if large company)		

2009-10 Returns Filing Deadlines: 19 May 2010 - P14, P35, P38 and P38A
• 31 May 2010 - Issue P60s to employees • 6 July 2010 - P9D, P11D and P11D(b) and appropriate copies to employees • 31 October 2010 - Self Assessment Tax Return (SATR) - paper version • 30 December 2010 - SATR Online where outstanding tax (up to £2,000) to be included in 2011-12 PAYE code • 31 January 2011 - SATR Online

Budget Day edition. Rates subject to change – contact us for latest. For general guidance only, no responsibility is taken for action taken or refrained from in consequence of card contents.