

Corporation Tax

	FY 2016	FY 2015
Main rate	20%	20%
Relief for acquisition of Goodwill is restricted after 8 July 2015.		
A new 8% supplementary tax on banking profits came into effect on 1 January 2016.		

VAT

Amounts	Rates	
Annual registration limit (from 1 April 2016)	£83,000	Standard rate 20%
Annual deregistration limit (from 1 April 2016)	£81,000	Reduced rate 5%
VAT Cash accounting scheme threshold	£1,350,000	Zero rate 0%
VAT Annual accounting scheme threshold	£1,350,000	

Car, Van & Fuel Benefits

Company cars

The annual benefit for company cars is based on a percentage of the list price. The percentage rate is dependant on the level of CO₂ emissions. The rate is 7% for emissions to 50g/km, 11% for emissions of 51-75g/km and 15% for emissions of 76-94g/km. The rate increases by 1% for each additional 5g/km above 94g/km to a maximum rate of 37%, reached at 200g/km or more.

There is a diesel supplement of 3% for all bands, subject to a maximum rate of 37%.

Car fuel benefit

£22,200 × 'appropriate percentage' (percentage used to calculate the taxable benefit of the car for which the fuel is provided).

The charge is reduced if provision of private fuel ceases part way through the year. The fuel benefit is reduced to nil only if the employee pays for all private fuel.

Van benefit per vehicle	2016-17	2015-16
Van benefit	£3,170	£3,150
Fuel benefit	£598	£594

Mileage Allowance Payment

Rate per mile	2016-17	2015-16
Cars & vans		
- up to 10,000 miles	45p	45p
- over 10,000 miles	25p	25p
Motorcycles	24p	24p
Bicycles	20p	20p

These rates represent the maximum tax free mileage allowances for employees using their own vehicles for business. Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

Insurance Premium Tax (IPT)

The main rate of IPT will increase from 9.5% to 10% on 1 October 2016.

The information in this tax card is based upon the March 2016 Budget and other earlier announcements and may be subject to amendment by the Finance Act.

Inheritance Tax

	2016-17	2015-16
Nil rate band for individuals*	£325,000	£325,000
Thereafter - lifetime gifts**	20%	20%
- lower rate on death***	36%	36%
- on death	40%	40%

* Unused nil rate band can be used by surviving spouse or civil partner.

** Increased to 40%, subject to tapering relief, on gifts made between 3 and 7 years pre death. Certain lifetime gifts are exempt. Special rules for business property.

*** A lower rate applies where 10% or more of the net estate is left to charity.

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100%	80%	60%	40%	20%

Main exempt lifetime gifts

Recurring annual gifts out of surplus income	unlimited
Annual gifts out of capital (with one year carry forward if unused)	£3,000
Small gifts (per recipient)	£250
Parental gift on marriage	£5,000
Grandparent or party to marriage	£2,500
Other gifts on marriage (per donor)	£1,000

Business Property Relief

Shares in unquoted companies (including USM/AIM stocks)	100%
Shares in quoted companies	
- shareholding up to 50%	none
- shareholding over 50%	50%
Unincorporated business or interest in a business	100%
Land, buildings, plant and machinery used in the deceased's business/company	50%

Key Dates and Deadlines

Payment dates	2016-17	2015-16
Income Tax and Class 4 NICs:		
- First interim Income Tax payment	31 January 2017	31 January 2016
- Second interim Income Tax payment	31 July 2017	31 July 2016
- Final balancing Income Tax payment	31 January 2018	31 January 2017
Capital Gains Tax payment	31 January 2018	31 January 2017

Corporation Tax is due 9 months and one day after the end of accounting period (or by quarterly instalments if large company).

2015-16 Return filing deadlines

Issue P60s to employees	31 May 2016
Forms P9D, P11D and P11D(b)	6 July 2016
- and appropriate copies to employees	
Self Assessment Tax Return (SATR) - paper version	31 October 2016
SATR Online to have unpaid tax of up to £17,000 (depending on income levels) collected through the 2016-17 PAYE code	30 December 2016
SATR Online	31 January 2017

GDO
& CO

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CHARTERED ACCOUNTANTS

TAX CARD 2016-17

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Income Tax

Bands	2016-17	2015-16
Savings starting rate – 0%*	£0 – £5,000	£0 – £5,000
Basic rate – 20%	£0 – £32,000	£0 – £31,785
Higher rate – 40%	£32,001 – £150,000	£31,786 – £150,000
Additional rate – 45%	Over £150,000	Over £150,000
* Savings income is taxed at 0% up to £5,000 (2015-16: 0% up to £5,000). If an individual's taxable non-savings income exceeds £5,000, then the starting rate limit for savings will not be available.		
Dividend allowance	£5,000	-
Dividend ordinary rate	7.5%	10%
Dividend upper rate	32.5%	32.5%
Dividend additional rate	38.1%	37.5%
Personal savings allowance		
- basic rate taxpayers	£1,000	-
- higher rate taxpayers	£500	-

Reliefs	2016-17	2015-16
Personal allowance	£11,000	£10,600
Registered blind person's allowance	£2,290	£2,290
Income limit for personal allowance*	£100,000	£100,000

* The personal allowance is gradually withdrawn by £1 for every £2 of income over £100,000.

Married couples allowance – tax relief given at 10%		
- Born before 6 April 1935	£8,355	£8,355
- Minimum amount	£3,220	£3,220
- Income limit	£27,700	£27,700
Marriage allowance*	£1,100	£1,060

* A tax payer can transfer up to £1,100 (2015-16: £1,060) of their unused personal allowance to a spouse or civil partner who is not a higher rate tax payer.

High Income Child Benefit Charge* on income over	£50,000	£50,000

* The tax charge is levied at the rate of 1% of the full Child Benefit award for each £100 that income exceeds £50,000, up to a maximum of 100% of the Child Benefit claimed. Taxpayers can choose whether to continue receiving Child Benefit and pay the tax charge or may opt out of receiving the Child Benefit.

There is a cap on certain Income Tax reliefs of the greater of £50,000 or 25% of income.

Pensions

Contributions	2016-17	2015-16
Lifetime allowance	£1,000,000	£1,250,000
Maximum annual contribution	£40,000	£40,000
Tax on excess	Marginal rate	Marginal rate
Normal minimum pension age	55	55

From April 2016, the annual allowance is tapered for taxpayers whose income exceeds £150,000. The allowance is reduced by £1 for every £2 that an individual's income exceeds £150,000, down to a minimum of £10,000 for individuals with income of £210,000 or more.

National Insurance

<i>Class 1 (employed)</i>			
Earnings limits (weekly)	Employee (primary)	Earnings limits (weekly)	Employer (secondary)
Up to £112 (LEL)	0%	Up to £156 (ST)	0%
£112.01 to £155 (PT)	0%	Over £156	13.8%
£155.01 to £827 (UEL)	12%		
Over £827	2%		

<i>Class 1A (employers)</i>	13.8% on the amounts of taxable benefits
<i>Class 1B (employers only)</i>	13.8% on PAYE settlement agreements
<i>Class 2 (self-employed)</i>	£2.80 per week (unless earnings below £5,965 pa)
<i>Class 3 (voluntary)</i>	£14.10 per week
<i>Class 4 (self-employed)</i>	9% of profits between £8,060 and £43,000 pa plus 2% on profits above £43,000

A tax free allowance of £3,000 (2015-16: £2,000) is available to offset against employers' Class 1 secondary NICs subject to certain restrictions.

No employers' contributions are payable in respect of weekly earnings up to £827 (2015-16: £815) paid to employees under 21 nor for qualifying apprentices aged under 25 to offset against their employers' Class 1 NICs.

Capital Gains Tax

Annual exempt amount	2016-17	2015-16
Individuals	£11,100	£11,100
Trusts	£5,550	£5,550

Rates	2016-17	2015-16
Standard rate taxpayers*	10%	18%
Higher rate taxpayers / Trustees*	20%	28%
Entrepreneurs' Relief lifetime limit	£10,000,000	£10,000,000
Entrepreneurs' Relief rate	10%	10%

* There is an 8% surcharge on the sale of chargeable residential property and carried interest (the share of profits or gains that is paid to asset managers).

A 10% rate on long term external investment in unlisted companies was introduced on 6 April 2016, up to a separate maximum of £10 million of lifetime gains.

Capital Allowances

	2016-17	2015-16
Plant and machinery		
- Main writing down allowance	18%	18%
- Long life assets, integral fixtures	8%	8%
- First year allowances	100%	100%
- R&D tax credits SME Scheme	230%	230%
- R&D expenditure credit	11%	11%
- Annual Investment Allowance (AIA)	£200,000	£500,000

The allowance for cars with CO₂ emissions up to and including 130g/km is 18% (2015-16: 18%) and 8% for cars with CO₂ emissions over 130g/km (2015-16: 8%). A rate of 100% applies to cars with CO₂ emissions of 75g/km or less until 31 March 2018. Universities and charities have been unable to claim R&D tax credits for expenditure after 1 August 2015.

Stamp Duty and Annual Tax on Enveloped Dwellings

Shares and securities rate 0.5%.

The Annual Tax on Enveloped Dwellings (ATED) is payable by certain non-natural persons that own interests in dwellings valued at more than £500,000.

Stamp Duty Land Tax (SDLT)

Property in England, Wales and Northern Ireland

Rates	Residential property	Rates	Non-residential and mixed use property
Zero	£0 – £125,000	Zero	£0 – £150,000
2%	£125,001 – £250,000	2%	£150,001 – £250,000
5%	£250,001 – £925,000	5%	Over £250,000
10%	£925,001 – £1,500,000	12%	Effective 17 March 2016
12%	Over £1,500,000		

These rates are applied on a graduated basis with the portion of the purchase price within each tier charged at the applicable rate.

15% is applied to residential properties held in a 'corporate envelope' costing over £500,000 and purchased on or after 20 March 2014.

A new higher rate of SDLT was introduced on 1 April 2016 and applies to purchases of additional residential property such as buy to let and second homes. This new rate is 3% higher than the current SDLT rates and applies to the purchase of additional residential properties valued at over £40,000.

Scotland: Land & buildings transaction tax (SLBTT)

Property in Scotland

Rates	Residential property	Rates	Non-residential and mixed use property
Zero	£0 – £145,000	Zero	£0 – £150,000
2%	£145,001 – £250,000	3%	£150,001 – £350,000
5%	£250,001 – £325,000	4.5%	Over £350,000
10%	£325,001 – £750,000		
12%	Over £750,000		

These rates are applied on a graduated basis with the portion of the purchase price within each tier charged at the applicable rate.

Tax Favoured Investments

Individual Savings Account (ISA)	2016-17	2015-16
ISA limit	£15,240	£15,240
Junior ISA	£4,080	£4,080

Venture Capital Trusts

Income Tax relief of up to 30% on investments up to £200,000.

Enterprise Investment Scheme

Income Tax relief of up to 30% on qualifying share subscriptions up to £1,000,000.

Seed Enterprise Investment Scheme

Income Tax relief of 50% on maximum £100,000 with rollover of chargeable gains.