

Capital Gains Tax

	2007/08	2006/07
Annual Exempt Amounts		
Individuals and personal representatives	£9,200	£8,800
Trusts generally	£4,600	£4,400

Rates of Tax

Individuals (taxed in line with interest)	10/20/40%	10/20/40%
Companies (corporation tax rates)	20/30%	19/30%
Trusts and personal representatives	40%	40%

Taper Relief

Years of Ownership	1	2	3	4	5	6	7	8	9	10
Business Assets (% relief)	50	75	75	75	75	75	75	75	75	75
Non-Business Assets (% relief)	0	0	5	10	15	20	25	30	35	40

These rates apply to disposals made on or after 6 April 2002 (i.e. not just disposals of assets held for more than two years after 6 April 2002).

Principal Private Residence

Gains on the disposal of the owner's only or main residence are exempt.

Inheritance Tax

	2007/08	2006/07
Rates		
0%	Up to £300,000	Up to £285,000
40% (death rate)	Over £300,000	Over £285,000
20% (lifetime rate)	Over £300,000	Over £285,000

The threshold will be £312,000 for 2008/09, £325,000 for 2009/10 and £350,000 in 2010/11.

Major Exemptions

Gifts to UK domiciled spouse	Unlimited	Unlimited
Gifts to non-UK domiciled spouse	£55,000	£55,000
Gifts to charities	Unlimited	Unlimited
Annual gifts	£3,000	£3,000
Small gifts to different individuals	£250	£250
Gift on marriage - By parent	£5,000	£5,000
- By remoter ancestor	£2,500	£2,500
- By other person	£1,000	£1,000

Taper Relief

Taper relief is given in respect of chargeable gifts made between 3 and 7 years before death.

Agricultural Property Relief

Vacant possession available within 24 months	100%
Landlords' interest in let farmland	50%
- for new tenancies let after 31.08.95	100%

Business Property Relief

Unincorporated business	100%
Unquoted shares in a trading company	100%

Corporation Tax

	Year Ending 31 March 2008	Year Ended 31 March 2007
Main rate	30%	30%
Small companies rate	20%	19%
Charged up to	£300,000	£300,000
Marginal relief up to	£1,500,000	£1,500,000
Marginal rate	32.5%	32.75%

Capital Allowances

	2007/08	2006/07
Plant and machinery		
- Writing down allowance	25%	25%
- First year allowance medium enterprises*	40%	40%
- First year allowances small enterprises*	50%	50%
- Long life assets	6%	6%
Energy saving plant or machinery	100%	100%
Environmentally beneficial plant or machinery	100%	100%
Motor cars		
- Writing down allowance**	25%	25%
- First year allowance***	100%	100%
Industrial and agricultural buildings and qualifying hotels	4%	4%
Commercial or industrial buildings in an enterprise zone	100%	100%
Research & Development	100%	100%

* Certain assets excluded

** Subject to £3,000 maximum per annum

*** For cars either electronically propelled, or registered after 16 April 2002 with CO₂ emissions of 120g/km or below

VAT

	2007/08	2006/07
Standard rate	17.5%	17.5%
Reduced rate	5%	5%
Annual registration limit	£64,000	£61,000
Deregistration limit	£62,000	£59,000
Cash accounting entry limit	£1,350,000	£660,000
Cash accounting exit limit	£1,600,000	£825,000
Annual VAT returns entry limit	£1,350,000	£1,350,000
Annual VAT returns exit limit	£1,600,000	£1,600,000
Flat rate scheme max. vatable turnover	£150,000	£150,000

VAT Fuel Scale Charges for 2007/08

CO2 emissions Grams per Kilometre	12 Month		3 Month		1 Month	
	Scale charge £	VAT £	Scale charge £	VAT £	Scale charge £	VAT £
140 or under	730.00	108.72	182.00	27.11	60.00	8.94
145	780.00	116.17	195.00	29.04	65.00	9.68
150	830.00	123.62	207.00	30.83	69.00	10.28
155	880.00	131.06	219.00	32.62	73.00	10.87
160	925.00	137.77	231.00	34.40	77.00	11.47
165	975.00	145.21	243.00	36.19	81.00	12.06
170	1,025.00	152.66	256.00	38.13	85.00	12.66
175	1,075.00	160.11	268.00	39.91	89.00	13.26
180	1,120.00	166.81	280.00	41.70	93.00	13.85
185	1,170.00	174.26	292.00	43.49	97.00	14.45
190	1,220.00	181.70	304.00	45.28	101.00	15.04
195	1,270.00	189.15	317.00	47.21	105.00	15.64
200	1,315.00	195.85	329.00	49.00	109.00	16.23
205	1,365.00	203.30	341.00	50.79	113.00	16.83
210	1,415.00	210.74	353.00	52.57	117.00	17.43
215	1,465.00	218.19	365.00	54.36	121.00	18.02
220	1,510.00	224.89	378.00	56.30	126.00	18.77
225	1,560.00	232.34	390.00	58.09	130.00	19.36
230	1,610.00	239.79	402.00	59.87	134.00	19.96
235	1,660.00	247.23	414.00	61.66	138.00	20.55
240 or over	1,705.00	253.94	426.00	63.45	142.00	21.15

The new rates are effective from the start of the first accounting period beginning on or after 1 May 2007. The Inland Revenue approved 'tax-free' business mileage rates for employees using company cars are also accepted for VAT purposes.



HAZLEWOODS LLP

BUSINESS ADVISERS & CHARTERED ACCOUNTANTS

Tax Facts

Budget Edition 21 March 07

The information within this card is based on the Budget of 21 March 2007 and other HM Revenue & Customs releases but is subject to amendment in the Finance Bill.

Income Tax Rates and Allowances

	2007/08	2006/07
	£	£
Allowances Deducted from Income		
Personal Allowance	5,225	5,035
Personal Allowance (age 65-74)*	7,550	7,280
Personal Allowance (age 75+)*	7,690	7,420
Blind Persons Allowance	1,730	1,660
Allowances to Reduce Tax (given at 10%)		
Married Couples Allowance (age 65-74)*	6,285	6,065
Married Couples Allowance (age 75+)*	6,365	6,135
Income Limit for Age Related Allowance*	20,900	20,100

* Age related allowances are reduced by £1 for every £2 for which income exceeds the income limit, until the age allowance is reduced to the normal allowance. Personal allowance is reduced before married couples allowance. Married Couples Allowance is reduced to a minimum of £2,440 (£2,350 2006/07).

Tax Rates and Bands	Taxable Income	Rate	Cumulative Tax
2007/08	Starting rate	£0-£2,230	10% £223
	Basic rate*	£2,231-£34,600	22% £7,344
	Higher rate	£34,601+	40%
2006/07	Starting rate	£0-£2,150	10% £215
	Basic rate*	£2,151-£33,300	22% £7,068
	Higher rate	£33,301+	40%

* Savings rate (excluding dividends) is 20% in basic rate band. Dividend rate is 10% below higher rate band and 32.5% above.

Pensions

Personal pension contributions are limited by the annual allowance of £225,000 (£215,000 2006/07) or Net Relevant Earnings.

A tax charge arises if the value of the pension at retirement exceeds the lifetime allowance of £1.6m (£1.5m for 2006/07)

Company Cars and Mileage Rates

Car Benefits

The car benefit is calculated by multiplying the list price of the car when new (not the purchase price) by a percentage that is dependent on the level of approved CO₂ emissions of the car. If no approved CO₂ emissions apply, a scale of charges applies depending on the date the car was registered.

Cars With CO₂ Emissions

CO ₂ Emissions in Grams per Kilometre	2005/06 – 2007/08	Tax Percentage*	2005/06 – 2007/08	Tax Percentage*
140	15	15%	195	26%
145	16	20%	200	27%
150	17	20%	205	28%
155	18	21%	210	29%
160	19	21%	215	30%
165	20	22%	220	31%
170	21	23%	225	32%
175	22	23%	230	33%
180	23	23%	235	34%
185	24	24%	240	35%
190	25			

Cars Without CO₂ Emissions

Cars without an approved CO₂ emission figure will be taxed according to their engine size and date of registration as follows:

	Cars First Registered Before 1 Jan 1998	Cars First Registered On or After 1 Jan 1998*
Engine Size		
0-1400cc	15%	15%
1401-2000cc	22%	25%
2001cc +	32%	35%

* Fuel Supplements
A 3% supplement is added to the tax percentage for diesel cars (other than Euro IV standard first registered before 1 January 2006), but is restricted to the maximum charge of 35%. Discounts apply to some cleaner, alternatively fuelled cars, which may reduce the minimum charge to less than 15%. The diesel supplement and discount for cleaner cars only applies to cars registered on or after 1 January 1998.

Fuel Benefits

From 6 April 2003, the value of the fuel benefit is also calculated based on the CO₂ emissions of the car:

The benefit for 2003/04 onwards is £14,400 multiplied by the relevant percentage as shown above (plus diesel supplement where applicable).

Inland Revenue Approved 'Tax-Free' Business Mileage Rates

From 6 April 2002, the Inland Revenue approved 'tax-free' business mileage rates for employees using their own cars:

40p per mile for the first 10,000 miles and 25p for additional mileage above that limit. These rates apply irrespective of engine size.

Inland Revenue approved 'tax-free' business mileage rates for employees using company cars:

	From 1 Jul 05		From 1 Jul 06		From 1 Feb 07	
	Petrol	Diesel	Petrol	Diesel	Petrol	Diesel
1400cc or less	10p	9p	11p	10p	9p	9p
1401cc to 2000cc	12p	9p	13p	10p	11p	9p
2000cc +	16p	13p	18p	14p	16p	12p

For further information please contact

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National Insurance Contributions

	2007/08	2006/07	
Class 1 - Employers and Employees			
Lower earnings limit (LEL) per week	£87	£84	
Primary and Secondary threshold per week	£100	£97	
Upper earnings limit (UEL) per week	£670	£645	
Earnings over the LEL qualify an individual for certain state benefits and must be reported under PAYE, but no NIC are payable until earnings exceed the threshold of £100 pw.			
Class 1 - Employers	- Rate above threshold (no upper limit)	12.8%	12.8%
Class 1 - Employees	- Rate above threshold, and below UEL	11%	11%
	- Rate above UEL	1%	1%
	- Contracted out	9.4%	9.4%
	- Married women and widows rate above threshold, below UEL	4.85%	4.85%
	- Rate above UEL	1%	1%
Class 1A (Taxable Benefits)		12.8%	12.8%
Class 2 (Self-employed)	- Small earnings exception	£4,635	£4,465
	- Flat rate per week	£2.20	£2.10
Class 3 (Voluntary)	- Flat rate per week	£7.80	£7.55
Class 4 (Self employed)	- Lower limit	£5,225	£5,035
	- Upper limit	£34,840	£33,540
	- Rate between limits	8%	8%
	- Rate above limits	1%	1%

Stamp Duty Land Tax

Residential Property

£0-£125,000	Nil
£125,001-£250,000	1%
£250,001-£500,000	3%
£500,001+	4%

Non residential Property

£0-£150,000	Nil
£150,001-£250,000	1%
£250,001-£500,000	3%
£500,001+	4%

Disadvantaged areas exemption - residential property only £150,000

Leases

Based on the net present value of the rent received under the terms of the lease. Duty payable is 1% of the net present value in excess of the nil rate bands as above.

Other Transfers

Intellectual property	Nil
Gifts	Nil
Stock transfers	0.5%

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