

## Capital Allowances

	2012/13	2011/12
Plant and machinery		
Annual investment allowance (AIA)	100% on first £25,000*	100% on first £100,000
-excluding cars		
Writing down allowance (WDA)-		
plant and machinery	18%*	20%
WDA - integral fixed assets	8%*	10%
WDA - long life assets	8%	10%
Enhanced capital allowances	100%	100%
Motor cars		
CO2 emissions ≤ 110g/km - FYA	100%	100%
CO2 emissions 110g/km - 160g/km - WDA	20%	20%
CO2 emissions > 160g/km - WDA	10%	10%
Scientific research	100%	100%

\* If the year has both the old and new AIA and WDA then a hybrid rate per day will be used to allow for the correct amount of allowances to be claimed.

From 2011/12 the short life asset limit was extended to eight years from four years

## Inheritance Tax

Rates	2012/13	2011/12
0%	Up to £325,000	Up to £325,000
40% (death rate)	Over £325,000	Over £325,000
20% (lifetime rate)	Over £325,000	Over £325,000

The unused nil rate band from the estate of a previously deceased spouse can be used on the death of the second spouse.

### 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%	100%
Landlords' interest in let farmland	50%	50%
- for new tenancies let after 31.08.95	100%	100%

### Business Property Relief

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

## Corporation Tax

	Year Ending 31 March 2013	Year Ending 31 March 2012
Main rate	24%	26%
Small profits rate	20%	20%
Charged up to	£300,000	£300,000
Marginal relief up to	£1,500,000	£1,500,000
Marginal rate	25%	27.5%

## Capital Gains Tax

Annual exempt amounts	2012/13	2011/12
Individuals and personal representatives	£10,600	£10,600
Trusts generally	£5,300	£5,300
<b>Rates of tax</b>		
Individuals - basic rate	18%	18%
Individuals - higher or additional rate	28%	28%
Entrepreneurs' Relief	10%	10%
Entrepreneurs' Relief lifetime limit on gains	£10m	£10m
Companies (corporation tax rates)	20/24%	20/26%
Trusts and personal representatives	28%	28%

## VAT

	2012/13	2011/12
Standard rate	20%	20%
Reduced rate	5%	5%
Registration threshold	£77,000	£73,000
Deregistration threshold	£75,000	£71,000
Cash accounting entry limit	£1,350,000	£1,350,000
Cash accounting exit limit	£1,600,000	£1,600,000
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 taxable turnover entry limit	£150,000	£150,000
Flat rate scheme total business income exit limit	£230,000	£230,000

### VAT on fuel benefits (fuel scale charge)

Additional output VAT payable per quarter when fuel is provided for private motoring.

CO <sub>2</sub> emissions (g/km)	From 1 May 2012		From 1 May 2011	
	Scale charge £	VAT @ 20%	Scale charge £	VAT @ 20%
120 or less	166.25	27.71	157.00	26.17
125	250.00	41.67	236.00	39.33
130	266.25	44.38	252.00	42.00
135	283.75	47.29	268.00	44.67
140	300.00	50.00	283.00	47.17
145	317.50	52.92	299.00	49.83
150	333.75	55.63	315.00	52.50
155	350.00	58.33	331.00	55.17
160	367.50	61.25	346.00	57.67
165	383.75	63.96	362.00	60.33
170	400.00	66.67	378.00	63.00
175	417.50	69.58	394.00	65.67
180	433.75	72.29	409.00	68.17
185	450.00	75.00	425.00	70.83
190	467.50	77.92	441.00	73.50
195	483.75	80.63	457.00	76.17
200	500.00	83.33	472.00	78.67
205	517.50	86.25	488.00	81.33
210	533.75	88.96	504.00	84.00
215	550.00	91.67	520.00	86.67
220	567.50	94.58	536.00	89.33
225 or more	583.75	97.29	551.00	91.83

HMRC only produced annual figures at the time of the 2012 Budget. The quarterly figures from 1 May 2012 are calculated based on their annual figures. The amount listed under scale charge is the VAT inclusive amount. You need to subtract the VAT due to get the figure to include in box 6 of your VAT Return.

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# Tax Facts

Rates and allowances guide

Safety in numbers



HAZLEWOODS

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The data in this card is based on releases from HM Treasury and HMRC and is subject to change in the Finance Bill.

## Income tax

### Personal allowances

	2012/13	2011/12
Personal allowance (age under 65)*	£8,105	£7,475
Personal allowance (age 65-74)**	£10,500	£9,940
Personal allowance (age 75+)**	£10,660	£10,090
Married couple's allowance (age 75+)** #	£7,705	£7,295
Blind person's allowance	£2,100	£1,980

\* Personal allowance is restricted by £1 for every £2 of income over £100,000, to a minimum of nil. The personal allowance will increase to £9,205 from 2013/14.

\*\* Age related allowances are restricted by £1 for every £2 of income over £25,400 (£24,000 for 2011/12). Age related personal allowance can be reduced below the basic personal allowance where the income is above £100,000. Personal allowances are reduced before married couple's allowance. From 2013/14 the age related personal allowances will be frozen at the 2012/13 levels until they align with the personal allowance.

# Married couple's allowance is reduced to a minimum of £2,960 (£2,800 for 2011/12). Married couple's allowance is given at the rate of 10%.

### Rates

	Taxable income	Income tax rate	Dividend rate
2012/13	Starting savings rate*	£0 - £2,710	10%
	Basic rate	£0 - £34,370	20%
	Higher rate	£34,371 - £150,000	40%
	Additional rate**	> £150,000	50%
2011/12	Starting savings rate*	£0 - £2,560	10%
	Basic rate	£0 - £35,000	20%
	Higher rate	£35,001 - £150,000	40%
	Additional rate	> £150,000	50%

\* The starting savings rate only applies to savings income. If an individual's taxable non-savings income is above the starting rate limit, the 10% starting rate will not apply.

\*\* From 2013/14 the additional rate will reduce from 50% to 45%.

## Pensions

Tax relief is available on contributions subject to the annual allowance of £50,000 (£255,000 2010/11). From 2011/12 any of the unused annual allowance can be carried forward for up to three years.

If pension saving is more than the available annual allowance the annual allowance charge will be paid – but only on the amount over the available annual allowance.

The charge is calculated by adding the amount of excess pension savings to the amount of income the individual actually pays tax on and the taxing then excess pension savings at the individual's marginal rate.

A tax charge also arises if the value of the pension at retirement exceeds the lifetime allowance of £1.5m (£1.8m before April 2012). The tax charge is 55% if the amount over the lifetime allowance is paid as a lump sum and 25% if it is not taken as a lump sum.

## Company car and fuel benefits

### Company cars

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 CO<sub>2</sub> emissions of the car. Except where noted in the table, the exact CO<sub>2</sub> figure is rounded down to the nearest 5g/km.

CO <sub>2</sub> emissions in g/km	% of car's list price to be taxed 2012/13	% of car's list price to be taxed 2011/12
0 (unrounded)	0	0
1 - 75 (unrounded)	5	5
76 - 99	10	10
100	11	10
105	12	10
110	13	10
115	14	10
120 (unrounded)	15	10
121-124	15	15
125	16	15
130	17	16
135	18	17
140	19	18
145	20	19
150	21	20
155	22	21
160	23	22
165	24	23
170	25	24
175	26	25
180	27	26
185	28	27
190	29	28
195	30	29
200	31	30
205	32	31
210	33	32
215	34	33
220	35	34
225 and above	35	35

### Fuel benefit

For 2012/13 the benefit is £20,200 (£18,800 2011/12) multiplied by the relevant percentage as shown above (plus diesel supplement where applicable).

## Approved mileage rates

45p per mile for the first 10,000 miles and 25p for additional mileage above that limit.

Employers can also pay up to 5p per mile for each employee who travels as a passenger on a business journey.

HMRC's approved 'tax-free' business mileage rates for employees using company cars are reviewed quarterly, with any changes taking effect from 1 March, 1 September and 1 December. The rates are the maximum amount that can be paid without a charge to tax and NIC for business miles. If an employee receives less than these rates then they can claim tax relief on the difference.

The current rates can be found at: [www.hmrc.gov.uk/cars/advisory\\_fuel\\_current.htm](http://www.hmrc.gov.uk/cars/advisory_fuel_current.htm)

### For further information please contact

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## National Insurance Contributions

	2012/13	2011/12
<b>Class 1 - Employers and Employees</b>		
Lower earnings limit (LEL) per week	£107	£102
Primary threshold per week	£146	£139
Secondary threshold per week	£144	£136
Upper accrual point (UAP) per week	£770	£770
Upper earnings limit (UEL) per week	£817	£817
Earnings over the LEL qualify an individual for certain state benefits and must be reported under PAYE, but no employers or employees NICs are payable until earnings exceed the threshold of £144 per week (£136 for 2011/12). Contributions above the UAP do not qualify for the second state pension or for contracting out.		
<b>Class 1 - Employers</b>	- Rate above threshold (no upper limit)	13.8%
<b>Class 1 - Employees</b>	- Rate between primary threshold and UEL	12%
	- Rate above UEL	2%
	- Contracted out	10.6%
	- Married women and widows rate above threshold, below UEL	5.85%
	- Rate above UEL	2%
<b>Class 1A (Taxable benefits)</b>		13.8%
<b>Class 1B (PAYE Settlement Agreement)</b>		13.8%
<b>Class 2 (Self-employed)</b>	- Small earnings exception	£5,595
	- Flat rate per week	£2.65
<b>Class 3 (Voluntary)</b>	- Flat rate per week	£13.25
<b>Class 4 (Self-employed)</b>	- Lower limit	£7,605
	- Upper limit	£42,475
	- Rate between limits	9%
	- Rate above upper limit	2%

## Stamp Duty Land Tax

Residential property outside disadvantaged areas	SDLT rate
Up to £125,000	Zero
Over £125,000 to £250,000	1%
Over £250,000 to £500,000	3%
Over £500,000 to £1,000,000	4%
Over £1,000,000 to £2,000,000	5%
Over £2,000,000	7%
<b>Non residential or mixed use property</b>	
Up to £150,000 – annual rent under £1,000	Zero
Up to £150,000 – annual rent of £1,000 or more	1%
Over £150,000 to £250,000	1%
Over £250,000 to £500,000	3%
Over £500,000	4%
Disadvantaged areas exemption for residential property	£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	Zero
Gifts	Zero
Shares and securities	0.5%