

Capital Allowances

	2010/11	2009/10
Plant and machinery (including cars with CO ₂ emissions of 160g/km or less for 2009/10)		
- Annual investment allowance (AIA) (not cars)	100% on first £100,000	100% on first £50,000
- First year allowance (FYA)	N/A	40%
- Writing down allowance (WDA) - plant and machinery	20%	20%
- WDA - integral fixed assets	10%	10%
- Long life assets	10%	10%
Energy saving plant or machinery	100%	100%
Environmentally beneficial plant or machinery	100%	100%
Motor cars		
- CO ₂ emissions ≤ 110g/km - FYA	100%	100%
- CO ₂ emissions 110 - 160g/km - WDA	20%	20%
- CO ₂ emissions ≥ 160g/km - WDA	10%	10%
Industrial and agricultural buildings and qualifying hotels	1%	2%
Commercial or industrial buildings in an enterprise zone	100%	100%
Scientific research	100%	100%

Inheritance Tax

Rates	2010/11	2009/10
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

* Up to and including 2014/15.

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 2011	Year Ended 31 March 2010
Main rate	28%	28%
Small companies rate	21%	21%
Charged up to	£300,000	£300,000
Marginal relief up to	£1,500,000	£1,500,000
Marginal rate	29.75%	29.75%

Capital Gains Tax

	2010/11	2009/10
Annual Exempt Amounts		
Individuals and personal representatives	£10,100	£10,100
Trusts	£5,050	£5,050

Rates of Tax

Individuals	18%	18%
Companies (corporation tax rates)	21/28%	21/28%
Trusts and personal representatives	18%	18%

Entrepreneurs' relief

From 2010/11 4/9 relief on the first £2m (£1m 2009/10) of gain on the disposal of a qualifying business.

Principal Private Residence

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

VAT

	2010/11	2009/10
Standard rate	17.5%	*15%/17.5%
Reduced rate	5%	5%
Registration threshold	£70,000	£68,000
Deregistration threshold	£68,000	£66,000
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	£225,000	£225,000

* The standard rate of VAT was reduced to 15% from 1 December 2008 to 31 December 2009. The rate reverted to 17.5% from 1 January 2010.

VAT Fuel Scale Charges for 2010/11

See our website for a more comprehensive table.

VAT is payable on these scale charges at the rate applicable at the time the charge is due.

CO ₂ emissions (g/km)	12 Month	3 Month	1 Month
	Scale charge £	Scale charge £	Scale charge £
120 or less	570.00	141.00	47.00
125	850.00	212.00	70.00
130	850.00	212.00	70.00
135	910.00	227.00	75.00
140	965.00	241.00	80.00
145	1,020.00	255.00	85.00
150	1,080.00	269.00	89.00
155	1,135.00	283.00	94.00
160	1,190.00	297.00	99.00
165	1,250.00	312.00	104.00
170	1,305.00	326.00	108.00
175	1,360.00	340.00	113.00
180	1,420.00	354.00	118.00
185	1,475.00	368.00	122.00
190	1,530.00	383.00	127.00
195	1,590.00	397.00	132.00
200	1,645.00	411.00	137.00
205	1,705.00	425.00	141.00
210	1,760.00	439.00	146.00
215	1,815.00	454.00	151.00
220	1,875.00	468.00	156.00
225	1,930.00	482.00	160.00
230 or more	1,985.00	496.00	165.00

The new rates are effective from the start of the first accounting period beginning on or after 1 May 2010. The HMRC approved 'tax-free' business mileage rates for employees using company cars are also accepted for VAT purposes.

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Tax Facts

2010/11

Budget 24 March 2010

The data in this card is based on the Budget of 24 March 2010 and other HMRC releases available at that time. It is subject to amendment in the Finance Bill and any post election budget.

Income tax - personal allowances

	2010/11	2009/10
	£	£
Personal allowance (age under 65)*	6,475	6,475
Personal allowance (age 65-74)**	9,490	9,490
Personal allowance (age 75+)**	9,640	9,640
Married couple's allowance (age 75+)**#	6,965	6,965
Blind person's allowance	1,890	1,890

* From 2010/11 the personal allowance is restricted by £1 for every £2 of income over £100,000, to a minimum of nil. This restriction applies irrespective of age.

** Age related allowances are restricted by £1 for every £2 of income over £22,900, 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 £2,670.

Married couples allowance is given at the rate of 10%.

Income tax - rates and bands

	Taxable Income	Income tax rate	Dividend rate	
2010/11	Starting savings rate*	£0-£2,440	10%	10%
	Basic rate	£0-£37,400	20%	10%
	Higher rate	£37,401-£150,000	40%	32.5%
	Additional rate	>£150,000	50%	42.5%
2009/10	Starting savings rate*	£0-£2,440	10%	10%
	Basic rate	£0-£37,400	20%	10%
	Higher rate	>£37,400	40%	32.5%

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

Pensions

Tax relief is available on contributions of 100% of earnings subject to the annual allowance of £255,000 (£245,000 2009/10) or Net Relevant Earnings if lower. The rate of relief will be subject to anti-forestalling rules until 5 April 2011.

From 6 April 2011, for those earning over £150,000, the tax relief on pension contributions will be tapered, so that for those earning over £180,000 the relief will be at basic rate.

A tax charge arises if the value of the pension at retirement exceeds the lifetime allowance of £1.8m (£1.75m for 2009/10).

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 (rounded down to the nearest 5g/km, except for the 10% band). 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 (g/km)	Tax %		CO ₂ (g/km)	Tax %	
	2010/11 onwards	2008/09 to 2009/10		2010/11 onwards	2008/09 to 2009/10
120 or less	10	10	185	26	25
130	15	15	190	27	26
135	16	15	195	28	27
140	17	16	200	29	28
145	18	17	205	30	29
150	19	18	210	31	30
155	20	19	215	32	31
160	21	20	220	33	32
165	22	21	225	34	33
170	23	22	230	35	34
175	24	23	235+	35	35
180	25	24			

- For diesel cars add a 3% supplement subject to the overall maximum appropriate percentage of 35%. The supplement does not apply to diesel cars that meet the Euro IV emissions standards and were registered before 1/1/06.
- Reductions apply for more environmentally-friendly alternative fuels.
- Different rules apply for older cars and cars with no approved CO₂ emissions figure.
- The list price is subject to an upper limit of £80,000 and includes accessories.

Fuel Benefits

The value of the fuel benefit is also calculated based on the CO₂ emissions of the car.

The benefit is £18,000 (£16,900 2009/10), multiplied by the relevant percentage as shown above (plus diesel supplement where applicable).

HMRC approved 'tax-free' business mileage rates

HMRC 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.

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

	From 1 Dec 09			From 1 Jul 09 – 30 Nov 09		
	Petrol	Diesel	LPG	Petrol	Diesel	LPG
1400cc or less	11p	11p	7p	10p	10p	7p
1401cc to 2000cc	14p	11p	8p	12p	10p	8p
Over 2000cc	20p	14p	12p	18p	13p	12p

For further information please contact

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National Insurance Contributions

	2010/11	2009/10
Class 1 - Employers and Employees		
Lower earnings limit (LEL) per week	£97	£95
Primary and Secondary threshold per week	£110	£110
Upper accrual point (UAP) per week	£770	£770
Upper earnings limit (UEL) per week	£844	£844

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 £110 pw. Contributions above the UAP do not qualify for the second state pension or for contracting out.

Class 1 - Employers	- Rate above threshold (no upper limit)	12.8%	12.8%
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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%
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Class 2 (Self-Employed)	- Small earnings exception	£5,075	£5,075
	- Flat rate per week	£2.40	£2.40

Class 3 (Voluntary)	- Flat rate per week	£12.05	£12.05
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Class 4 (Self Employed)	- Lower limit	£5,715	£5,715
	- Upper limit	£43,875	£43,875
	- Rate between limits	8%	8%
	- Rate above limits	1%	1%

From 2011/12 there will be a 1% rise in National Insurance Rates.

Stamp Duty Land Tax

Residential property outside disadvantaged areas

First time buyer up to £250,000	Zero
Not first time buyer up to £125,000	Zero
Not first time buyer over £125,000 to £250,000	1%
Over £250,000 to £500,000	3%
Over £500,000	4%

From 2011/12 5% SDLT on residential properties over £1m.

Non residential property

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%

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%

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