

## Capital Allowances

	2009/10	2008/09
Plant and machinery (including cars with CO <sub>2</sub> emissions of 160g/km or less for 2009/10)		
- Annual investment allowance (AIA)	100% on first £50,000	100% on first £50,000
(available to all businesses for general plant and machinery and integral fixed assets)		
- First year allowance - plant and machinery	40%	N/a
- Writing down allowance - plant and machinery	20%	20%
- Writing down allowance - integral fixed assets	10%	10%
- Long life assets (+ cars with CO <sub>2</sub> emissions of >160g/km from 2009/10)	10%	10%
Energy saving plant or machinery	100%	100%
Environmentally beneficial plant or machinery	100%	100%
Motor cars		
- Writing down allowance*	N/a	20%
- First year allowance**	N/a	100%
Industrial and agricultural buildings and qualifying hotels	2%	3%
Commercial or industrial buildings in an enterprise zone	100%	100%
Scientific research	100%	100%

\* Subject to £3,000 maximum per annum

\*\* For cars either electronically propelled, or registered after 16 April 2002 with CO<sub>2</sub> emissions of 110g/km or below

Industrial and agricultural building allowances reduce to 1% for 2010/11 and abolished from April 2011.

## Inheritance Tax

Rates	2009/10	2008/09
0%	Up to £325,000	Up to £312,000
40% (death rate)	Over £325,000	Over £312,000
20% (lifetime rate)	Over £325,000	Over £312,000

The threshold will be £350,000 for 2010/11. The unused nil rate band from the estate of a previously deceased spouse can be used on the second death.

### 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 2010	Year Ended 31 March 2009
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%

The small companies rate will increase from 21% to 22% from 1 April 2010.

## Capital Gains Tax

	2009/10	2008/09
<b>Annual Exempt Amounts</b>		
Individuals and personal representatives	£10,100	£9,600
Trusts generally	£5,050	£4,800

### Rates of Tax

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

### Entrepreneurs' relief - Introduced 6 April 2008

4/9 relief on the first £1m 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

	2009/10	2008/09
Standard rate	*15%/17.5%	*17.5%/15%
Reduced rate	5%	5%
Annual Registration Limit	£68,000	£67,000
Deregistration Limit	£66,000	£65,000
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 max. vatable turnover	£150,000	£150,000

\* The standard rate of VAT has been reduced to 15% from 1 December 2008 to 31 December 2009. The rate will revert to 17.5% from 1 January 2010.

### VAT Fuel Scale Charges for 2009/10

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 <sub>2</sub> emissions (g/km)	12 Month	3 Month	1 Month
	Scale charge £	Scale charge £	Scale charge £
120 or less	505.00	126.00	42.00
121 to 135	755.00	189.00	63.00
140	805.00	201.00	67.00
145	855.00	214.00	71.00
150	905.00	226.00	75.00
155	960.00	239.00	79.00
160	1,010.00	251.00	83.00
165	1,060.00	264.00	88.00
170	1,110.00	276.00	92.00
175	1,160.00	289.00	96.00
180	1,210.00	302.00	100.00
185	1,260.00	314.00	104.00
190	1,310.00	327.00	109.00
195	1,360.00	339.00	113.00
200	1,410.00	352.00	117.00
205	1,465.00	365.00	121.00
210	1,515.00	378.00	126.00
215	1,565.00	390.00	130.00
220	1,615.00	403.00	134.00
225	1,665.00	416.00	138.00
230	1,715.00	428.00	142.00
235 or more	1,765.00	441.00	147.00

The new rates are effective from the start of the first accounting period beginning on or after 1 May 2009. The HMRC approved 'tax-free' business mileage rates for employees using company cars are also accepted for VAT purposes.

# HAZLEWOODS LLP

BUSINESS ADVISERS & CHARTERED ACCOUNTANTS

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## Tax Facts

Budget Edition 22 April 09

The information within this card is based on the Budget of 22 April 2009 and other HMRC releases but is subject to amendment in the Finance Bill.

## Income Tax Rates and Allowances

	2009/10	2008/09
	£	£

### Allowances Deducted from Income

Personal Allowance	6,475	6,035
Personal Allowance (age 65-74)*	9,490	9,030
Personal Allowance (age 75+)*	9,640	9,180
Blind Persons Allowance	1,890	1,800

### Allowances to Reduce Tax (given at 10%)

Married Couples Allowance (aged <75 and born pre 6/4/35)*	N/a	6,535
Married Couples Allowance (born pre 6/4/35)*	6,965	6,625

Income Limit for Age Related Allowance*	22,900	21,800
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\* 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 £2,670 (£2,540 2008/09).

From 2010/11 the basic personal allowance will be tapered to nil for individuals with income above £100,000.

Tax Rates and Bands	Taxable Income	Rate	Tax
2009/10	Starting rate**	£0-£2,440	10% £244
	Basic rate**	£0-£37,400	20% £7,480
	Higher rate***	>£37,400	40%
2008/09	Starting rate**	£0-£2,320	10% £232
	Basic rate**	£0-£34,800	20% £7,200
	Higher rate***	>£34,800	40%

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

\*\* Except dividends (10%).

\*\*\* Except dividends (32.5%).

From 2010/11 there will be an additional higher rate of 50% for taxable income over £150,000.

## Pensions

Personal pension contributions are limited by the annual allowance of £245,000 (£235,000 2008/09) or Net Relevant Earnings if lower.

A tax charge arises if the value of the pension fund at retirement exceeds the lifetime allowance of £1.75m (£1.65m for 2008/09)

## 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 CO<sub>2</sub> emissions of the car (rounded down to the nearest 5g/km). If no approved CO<sub>2</sub> emissions apply, a scale of charges applies depending on the date the car was registered.

## Cars With CO<sub>2</sub> Emissions

CO <sub>2</sub> (g/km)	Tax %		CO <sub>2</sub> (g/km)	Tax %	
	2008/09 to 2009/10	2010/11 onwards		2008/09 to 2009/10	2010/11 onwards
130	15	15	185	25	26
135	15	16	190	26	27
140	16	17	195	27	28
145	17	18	200	28	29
150	18	19	205	29	30
155	19	20	210	30	31
160	20	21	215	31	32
165	21	22	220	32	33
170	22	23	225	33	34
175	23	24	230	34	35
180	24	25	235+	35	35

- For diesel cars add a 3% supplement subject to the overall maximum appropriate percentage of 35%.
- Reductions apply to specific environmentally friendly cars.
- A 10% tax rate applies for 2008/09 onwards to cars with emissions of exactly 120 g/km or lower (normal rounding rules do not apply). They are called 'qualifying low emissions cars' or QUALECs. Diesel adjustments apply to QUALECs, but that is all; no other reduction which is available on other cars applies to QUALECs.
- For cars registered before 1 January 1998 the charge is based on engine size.
- 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 CO<sub>2</sub> emissions of the car.

The benefit is £16,900 (£14,400 from 2003/04 – 2007/08), 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 Jul 08 – 31 Dec 08			From 1 Jan 09		
	Petrol	Diesel	LPG	Petrol	Diesel	LPG
1400cc or less	12p	13p	7p	10p	11p	7p
1401cc to 2000cc	15p	13p	9p	12p	11p	9p
2000cc +	21p	17p	13p	17p	14p	12p

### For further information please contact

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## National Insurance Contributions

	2009/10	2008/09
<b>Class 1 - Employers and Employees</b>		
Lower earnings limit (LEL) per week	£95	£90
Primary and Secondary threshold per week	£110	£105
Upper accrual point (UAP) per week	£770	N/a
Upper earnings limit (UEL) per week	£844	£770

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.

<b>Class 1 - Employers</b>	- Rate above threshold (no upper limit)	12.8%	12.8%
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<b>Class 1 - Employees</b>	- 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%
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<b>Class 1A (Taxable Benefits)</b>		12.8%	12.8%
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<b>Class 2 (Self-employed)</b>	- Small earnings exception	£5,075	£4,825
	- Flat rate per week	£2.40	£2.30

<b>Class 3 (Voluntary)</b>	- Flat rate per week	£12.05	£8.10
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<b>Class 4 (Self employed)</b>	- Lower limit	£5,715	£5,435
	- Upper limit	£43,875	£40,040
	- Rate between limits	8%	8%
	- Rate above limits	1%	1%

## Stamp Duty Land Tax

### Residential Property outside disadvantaged areas

Up to £175,000 (from 3/9/08 – 31/12/09 reverting to £125,000 from 1/1/10)	Zero
Over £175,001 to £250,000	1%
Over £250,000 to £500,000	3%
Over £500,000	4%

### 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%

Disadvantaged areas exemption for residential property (from 1/1/10) £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
Stock transfers	0.5%

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