

Capital Allowances

	2011/12	2010/11
Plant and machinery		
Annual investment allowance (AIA)	100% on first	100% on first
– excluding cars	£100,000	£100,000
Writing down allowance (WDA)–		
plant and machinery	20%	20%
WDA – integral fixed assets	10%	10%
WDA – 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 110g/km - 160g/km - WDA	20%	20%
CO ₂ emissions > 160g/km - WDA	10%	10%
Industrial and agricultural buildings and qualifying hotels	N/A	1%
Commercial or industrial buildings in an old enterprise zone	N/A	100%
Scientific research	100%	100%

From 2011/12 the short life asset limit will be extended to eight years from four years.

From 1 April 2012 for companies and 6 April 2012 for unincorporated businesses

- The maximum amount of AIA will be reduced from £100,000 to £25,000.
- The WDA for main rate plant and machinery will be reduced from 20% to 18%
- The WDA for 'special rate' expenditure will be reduced from 10% to 8%

Inheritance Tax

Rates	2011/12	2010/11
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 2012	Year Ending 31 March 2011
Main rate	26%	28%
Small companies rate	20%	21%
Charged up to	£300,000	£300,000
Marginal relief up to	£1,500,000	£1,500,000
Marginal rate	27.5%	29.75%

Capital Gains Tax

Annual exempt amounts	2011/12	2010/11
Individuals and personal representatives	£10,600	£10,100
Trusts	£5,300	£5,050
Rates of tax		
Individuals – basic rate	18%	18%
Individuals – higher or additional rate	28%	28% (from 23/6/10) 18% (before 23/6/10)
Entrepreneurs' Relief	10%	10%
Entrepreneurs' Relief lifetime limit on gains	£10m	£5m (from 23/6/10) £2m (before 23/6/10)
Companies (corporation tax rates)	20/26%	21/28%
Trusts and personal representatives	28%	28% (from 23/6/10) 18% (before 23/6/10)

VAT

	2011/12	2010/11
Standard rate	20%	*20%/17.5%
Reduced rate	5%	5%
Registration threshold	£73,000	£70,000
Deregistration threshold	£71,000	£68,000
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/£225,000

* The standard rate of VAT was increased to 20% from 17.5% on 4 January 2011.

**The flat rate scheme total business income exit limit was increased from £225,000 to £230,000 on 4 January 2011.

VAT on fuel benefits (fuel scale charge)

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

CO ₂ emissions (g/km)	From 1 May 2010		From 4 January 2011		From 1 May 2011	
	Scale charge	VAT @ 17.5%	Scale charge	VAT @ 20%	Scale charge	VAT @ 20%
120 or less	141.00	21.00	141.00	23.50	157.00	26.17
125	212.00	31.57	212.00	35.33	236.00	39.33
130	212.00	31.57	212.00	35.33	252.00	42.00
135	227.00	33.81	227.00	37.83	268.00	44.67
140	241.00	35.89	241.00	40.17	283.00	47.17
145	255.00	37.98	255.00	42.50	299.00	49.83
150	269.00	40.06	269.00	44.83	315.00	52.50
155	283.00	42.15	283.00	47.17	331.00	55.17
160	297.00	44.23	297.00	49.50	346.00	57.67
165	312.00	46.47	312.00	52.00	362.00	60.33
170	326.00	48.55	326.00	54.33	378.00	63.00
175	340.00	50.64	340.00	56.67	394.00	65.67
180	354.00	52.72	354.00	59.00	409.00	68.17
185	368.00	54.81	368.00	61.33	425.00	70.83
190	383.00	57.04	383.00	63.83	441.00	73.50
195	397.00	59.13	397.00	66.17	457.00	76.17
200	411.00	61.21	411.00	68.50	472.00	78.67
205	425.00	63.30	425.00	70.83	488.00	81.33
210	439.00	65.38	439.00	73.17	504.00	84.00
215	454.00	67.62	454.00	75.67	520.00	86.67
220	468.00	69.70	468.00	78.00	536.00	89.33
225	482.00	71.79	482.00	80.33	551.00	91.83
230 or more	496.00	73.87	496.00	82.67	551.00	91.83

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. You have to apply the right VAT rate for the period, so if your VAT period spans the rate change you will need to split the period.

Hazlewoods LLP is a Limited Liability Partnership registered in England with number OC311817.

Registered office: Staverton Court, Staverton, Cheltenham, Glos, GL51 0UX.

A list of LLP partners is available from each office. Registered as auditors by the Institute of Chartered Accountants in England & Wales. Hazlewoods LLP is authorised and regulated by the Financial Services Authority.

2011/12

Tax Facts

Rates and allowances Guide

Getting ahead...

www.hazlewoods.co.uk



HAZLEWOODS
DRIVING LIFELONG PROSPERITY

The data in this card is based on the Budget of 23 March 2011 and other releases from HM Treasury and HMRC.
It is subject to change in the Finance Bill.

Income tax

Personal allowances	2011/12	2010/11
Personal allowance (age under 65)*	£7,475	£6,475
Personal allowance (age 65-74)**	£9,940	£9,490
Personal allowance (age 75+)**	£10,090	£9,640
Married couple's allowance (age 75+)** #	£7,295	£6,965
Blind person's allowance	£1,980	£1,890

* Personal allowance is restricted by £1 for every £2 of income over £100,000, to a minimum of nil.
** Age related allowances are restricted by £1 for every £2 of income over £24,000 (£22,900 for 2010/11). Personal allowance is reduced before married couple's allowance. Married couple's allowance is reduced to a minimum of £2,800 (£2,670 for 2010/11). From the 2010/11 tax year, age related personal allowance can be reduced below the basic personal allowance where the income is above £100,000.

Married couple's allowance is given at the rate of 10%.

Rates

	Taxable income	Income tax rate	Dividend rate
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%
2010/11	Starting savings rate*	£0 – £2,440	10%
	Basic rate	£0 – £37,400	20%
	Higher rate	£37,401 – £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.

Pensions

From 2011/12 tax relief is available on contributions subject to the annual allowance of £50,000 (£25,000 2010/11). There are transitional rules for contributions between 14 October 2010 and 5 April 2011. 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 have to 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 then taxing the excess pension saving at the individual's marginal rate.

A tax charge also arises if the value of the pension at retirement exceeds the lifetime allowance of £1.8m. From 6 April 2012 the lifetime allowance will reduce to £1.5m. 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.

From 6 April 2011 there will generally no longer be an obligation for individuals with registered pension schemes to buy an annuity, by age 75.

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 CO₂ emissions of the car (rounded down to the nearest 5g/km, except for the 5% and 10% bands).

CO ₂ emissions in (g/km)	% of car's list price to be taxed 2011/12	% of car's list price to be taxed 2010/11
Up to 75	5	5
76 - 120	10	10
125	15	15
130	16	15
135	17	16
140	18	17
145	19	18
150	20	19
155	21	20
160	22	21
165	23	22
170	24	23
175	25	24
180	26	25
185	27	26
190	28	27
195	29	28
200	30	29
205	31	30
210	32	31
215	33	32
220	34	33
225	35	34
230 and above	35	35

Fuel benefit

From 2011/12 the benefit is £18,800 (£18,000 2010/11) 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 approved 'tax-free' business mileage rates for employees using company cars:

	From 1 March 2011		
	Petrol	Diesel	LPG
1400cc or less	14p	13p	10p
1401cc to 2000cc	16p	13p	12p
Over 2000cc	23p	16p	17p

These rates are the maximum that can be paid without a charge to tax and NIC for business miles. If an employee receives less then they can claim tax relief on the difference.

The rates are usually reviewed twice a year with any changes published on the HMRC website and taking effect on 1 June and 1 December. However due to the recent level of increases in fuel pump prices the rates changed on 1 March 2011.

For further information please contact

Cheltenham: 01242 237661
Gloucester: 01452 634800
Staverton: 01242 680000

www.hazlewoods.co.uk

National Insurance Contributions

	2011/12	2010/11
Class 1 - Employers and Employees		
Lower earnings limit (LEL) per week	£102	£97
Primary threshold per week	£139	£110
Secondary threshold per week	£136	£110
Upper accrual point (UAP) per week	£770	£770
Upper earnings limit (UEL) per week	£817	£844

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 £136 per week (£110 for 2010/11). 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)	13.8%	12.8%
Class 1 - Employees	- Rate between primary threshold and UEL	12%	11%
	- Rate above UEL	2%	1%
	- Contracted out	10.4%	9.4%
	- Married women and widows rate above threshold, below UEL	5.85%	4.85%
	- Rate above UEL	2%	1%

Class 1A (Taxable benefits)

Class 1B (PAYE Settlement Agreement)

Class 2 (Self-employed)	- Small earnings exception	£5,315	£5,075
	- Flat rate per week	£2.50	£2.40
Class 3 (Voluntary)	- Flat rate per week	£12.60	£12.05
Class 4 (Self-employed)	- Lower limit	£7,225	£5,715
	- Upper limit	£42,475	£43,875
	- Rate between limits	9%	8%
	- Rate above upper limit	2%	1%

Stamp Duty Land Tax

Residential property outside disadvantaged areas	SDLT rate	SDLT rate for first time buyers*
Up to £125,000	Zero	Zero
Over £125,000 to £250,000	1%	Zero
Over £250,000 to £500,000	3%	3%
Over £500,000 to £1,000,000	4%	4%
Over £1,000,000 (from 6 April 2011)	5%	5%

Non residential or mixed use 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 £150,000

* The rates for first time buyers apply to residential purchases from 25 March 2010 and before 25 March 2012.

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%