

Tax Rates and Related Information

2015 Edition

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Corporation Tax

Financial year to	31 March 2015	31 March 2016
Tax Rate	21%	20%
Small profits rate	20%	20%

Capital allowances

	2014/15 £	2015/16 £
Plant and machinery		
- annual investment allowance	*£500,000	£500,000
- main rate pool	**18%	18%
- long life assets	**8%	8%
- Integral features	**8%	8%
Cars – CO ₂ emissions up to 95g/km	100%	100%
Cars – CO ₂ emissions 96 – 130g/km	18%	100%
Cars – CO ₂ emissions over 130g/km	8%	100%
Certain expenditure	***100%	100%

*100% annual investment allowance up to stated limit for qualifying expenditure incurred on certain plant and machinery for each unlinked unincorporated business or corporate group. This may go down to £250,000 on 01/01/2016 or in the next budget.

** Reducing balance.

*** This applies for certain renovation, conversion, innovative and environmentally efficient expenditure.



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Value added tax

Standard rate	20%
VAT fraction (where included cost)	1/6
Registration threshold	£82,000

Optional flat-rate scheme for small businesses is available.

Research and development tax credits

Rates for reduction	2014/15	2015/16
SME rate	225%	230%
Large company rate	130%	130%
Rates for surrender of losses	2014/15	2015/16
SME rate	14.5%	14.5%
Large company (taxable)	10%	11%

Patent Box

	2014/15	2015/16
Tapered relief from 01/04/13 – 01/04/17	10%	10%

ISA limits

1 Jul 14
- 5 Apr 15 £

Overall limits	15,240
Cash limits	-
Stocks & shares limit	-
Junior ISA limit	4,080



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Stamp taxes and duties

On 4 December 2014 the SDLT "slab" rates were replaced by a new regime under which you will only pay the rate of tax on the part of the property price within each tax band. In Scotland the new rates will apply until 1 April 2015 when SDLT will be replaced by the Land and Buildings Transaction Tax.

These changes do not affect the SDLT rates on residential leases or commercial/mixed properties which are listed below.

Residential – Total value of consideration £	Rates
0 - 125,000	NIL
125,001 - 250,000	2%
250,001 - 925,000	5%
925,001 - 1,500,000	10%
over 1,500,000	12%

Residential – New lease transfer value £	Rates
0 - 125,000	NIL
125,001 - 250,000	1%
250,001 - 500,000	3%
500,001 - 1,000,000	4%
1,000,000 - 2,000,000	5%
over 2,000,000	7%

Non-residential – Total value of consideration £	Rates
0 - 150,000	NIL
150,001 - 250,000	1%
250,001 - 500,000	3%
over 500,000	4%



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Income tax rates

Rate %	Taxable income 2014/15 £	Taxable income 2015/16 £
10 (1)	Up to 2,880	Up to 5,000
20 (2)	Up to 31,865	Up to 31,785
40 (3)	31,866 – 150,000	31,785 – 150,000
45 (4)	Over 150,000	Over 150,000

(1) Starting rate applies to savings income only

(2) 10% for dividend income (effective rate of 0%)

(3) 32.5% for dividend income (effective rate of 25%)

(4) 37.5% for dividend income (effective rate of 30.56%)

Rate of income tax for discretionary trusts: 37.5% for dividend income, 45% for non-dividend income.

Income tax allowances

Allowance	2014/15 £	2015/16 £
Personal allowance (1)		
Age under 65 at 6 April 2013	10,000	10,600
Age 65-74 before 6 April 2013 (2)	10,500	10,600
Age 75+ before 6 April 2013 (2)	10,660	10,660
Income limit for full age-related allowance (2)	27,000	27,700
Married couples allowance (3)		
Allowance	8,355	8,156
Minimum amount	3,140	3,220
Blind person's allowance		
'Rent-a-room'	4,250	4,250

(1) Personal allowance is reduced by £1 for every £2 exceeding £100,000 of income. This is irrespective of age or date of birth

(2) Where 'adjusted net income' is above the income limit the age-related allowance is reduced by £1 for every £2 of excess income, until it is reduced to the basic level (but also see note (1)).

(3) Relief is restricted to a 10% tax credit.



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Inheritance tax

Transfers on or after 6 April 2015 (husband and wife treated separately)

Band £	Lifetime rate £	Death rate £
0 – 325,000	NIL	NIL
Over 325,000	20%	40%*
Transferable nil rate band**		325,000
Annual exemption		3,000
Small gifts exemption		250
Wedding gifts exemption		
Gifts made by		
- parent		5,000
- more remote ancestor		2,500
- party to marriage		2,500
- other person		1,000

*A reduced rate of 36% applies where a deceased individual has left 10% or more of their net estate to charity.

**Unused proportion of nil rate band can be transferred to surviving spouse or civil partner.

Inheritance tax tapering relief

Rates for transfers on death also apply to gifts within seven years of death subject to tapering relief.

Years between gift and death	Reduction in charge
0 - 3	NIL
3 - 4	20%
4 - 5	40%
5 - 6	60%
6 - 7	80%



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National insurance contributions

Employees' class 1 contributions on 2015/16

Total weekly earnings £	Not contracted out	Contracted out
Below 156**	NIL	NIL
156 - 770	12%	10.6%
771 - 815	12%	12%
Over 815	2%	2%

Married women's reduced rate 5.85% on earnings between £156 and £815 per week plus 2% on earnings above £815 per week

**The contracted out rebate only applies to members of salary-related schemes.*

***Between £112 per week and £155 per week a zero rate applies to protect employees' contributory benefit entitlement.*

Employers' class 1 contributions on 2015/16

Total weekly earnings £	Not contracted out	Contracted out
Below 155	NIL	NIL
155 - 770	13.8%	10.4%
Over 770	13.8%	13.8%

Annual employment allowance (per employer) £2,000

Class 2 – self employed	Flat rate £2.80 per week if earning exceed £5,965 per annum
Class 3 – voluntary	Flat rate £14.10 per week
Class 4 – self employed	9% of profits between £8,060 and £42,385 per annum plus 2% on the excess



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Car and fuel benefits 2015/16

Cars

Minimum	14% of list price (emissions level above 95g/km CO ₂ (lower rates where emissions below this level)
Increments	1% for each additional 5g/km CO ₂ emissions over 95g/km CO ₂
Diesel cars	3% surcharge
Electric cars	0% of list price
Maximum	37% of list price

Emissions levels for most cars can be found on www.vca.gov.uk
CO₂ level rounded down to nearest 5g.

If no emissions rating	Registered before 1 Jan 98	Registered after 1 Jan 98
1400cc or less	15%	15%
1401 – 2000cc	22%	25%
2001cc or more	32%	35%

Fuel

Private fuel provided with company car – percentages as above for cars x £22,100

Approved mileage rates for business mileage in own car

Cars and vans	Per mile
0 - 10,000 miles	45p
Over 10,000 miles	25p

Advisory mileage rates for business mileage in company car

From 1 March 2015

	Petrol/LPG		Diesel	
	Petrol	LPG		
1400cc or less	11p	8p	1600cc or less	9p
1401 – 2000cc	13p	10p	1601 – 2000cc	11p
2001cc or more	20p	14p	2001cc or more	14p

Petrol hybrid cars are treated as petrol cars for this purpose.



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Capital gains tax

	2014/15 £	2015/16 £
Tax rates		
Individuals – basic rate	18%	18%
Individuals – higher/additional rate	28%	28%
Trusts and personal representatives	28%	28%
Companies	see CT rates	See CT rates
Annual exemptions		
Individuals	£11,000	£11,100
Trusts (maximum)	£5,500	£5,550
Chattels proceeds exemption	£6,000	£6,000
Capital gains tax entrepreneurs' relief:		
Lifetime limit	£10,000,000	£10,000,000
Rate	10%	10%

High income child benefit charge

2015/16	Weekly £	Annual £
Eldest/Only child	20.70	1,076.40
Other children	13.70	712.40

For taxpayers with income between £50,000 and £60,000 a charge of 1% for every £100 of income over £50,000 and 100% where income exceeds £60,000 for each week they, or their partner, are in receipt of child benefit.

AIMS Accountants for Business

We work closely with Small and Medium Sized Enterprises and have produced this guide for anyone that needs to know more about the current tax rates.

Speak to an accountant if you are unsure about any tax matter that you think may effect your business. We will be more than happy to chat with you www.aims.co.uk/YourLocalAccountant



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