



TAX FACTS 2015/2016

LubbockFine
Chartered Accountants

Advice that adds up

INCOME TAX RATES

2015/16		2014/15	
Band £	Rate %	Band £	Rate %
0 - 5,000	0*	0 - 2,880	10*
0 - 31,785	20**	0 - 31,865	20**
31,786 - 150,000	40♦	31,866 - 150,000	40♦
Over 150,000	45•	Over 150,000	45•

*Only applicable to savings income. The rate is not available if taxable non-savings income exceeds £5,000 (£2,880).

**Except dividends (10%). ♦Except dividends (32.5%). •Except dividends (37.5%).
Other income taxed first, then savings income and finally dividends.

INCOME TAX RELIEFS

	2015/16	2014/15
Personal allowance		
- born after 5 April 1948	£10,600**	£10,000
- born after 5 April 1938 and before 6 April 1948*	£10,600**	£10,500
- born before 6 April 1938*	£10,660**	£10,660

(Reduce personal allowance by £1 for every £2 of adjusted net income over £100,000.)

**£1,060 may be transferable between certain spouses where neither pay tax above the basic rate.

Married couple's allowance (relief at 10%)*	£8,355	£8,165
(Either partner 75 or over and born before 6 April 1935.)		
- min. amount	£3,220	£3,140

*Age allowance income limit	£27,700	£27,000
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(Reduce age allowance by £1 for every £2 of adjusted net income over £27,700 (£27,000).)

Blind person's allowance	£2,290	£2,230
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INHERITANCE TAX

Death rate	Lifetime rate	Chargeable transfers 2015/16 and 2014/15
Nil	Nil	0 - £325,000*
40%	20%	Over £325,000*

*Potentially increased for surviving spouses or civil partners who die on or after 9 October 2007.

Reliefs

Annual exemption	£3,000	Marriage - parent	£5,000
Small gifts	£250	- grandparent	£2,500
		- bride/groom	£2,500
		- other	£1,000

Reduced charge on gifts within seven years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20

NEW INDIVIDUAL SAVINGS ACCOUNTS

	2015/16	2014/15
		From 1.7.14 to 5.4.15
Overall investment limit	£15,240	£15,000*

*Special rules apply if investments were made before 1.7.14. Investments for 2014/15 cannot exceed £15,000 in total.

NATIONAL INSURANCE

2015/16 Class 1 (employed) contracted in rates

Employee		Employer**	
Earnings per week	%	Earnings per week**	%
Up to £155	Nil*	Up to £156	Nil
£155.01 - £815	12	Over £156	13.8**
Over £815	2		

*Entitlement to contribution-based benefits retained for earnings between £112 and £155 per week.

**The rate is 0% in relation to employees under 21 on earnings up to £815 per week.

Class 1A (employers)	13.8% on employee taxable benefits
Class 1B (employers)	13.8% on PAYE Settlement Agreements
Class 2 (self-employed)	flat rate per week £2.80 small profits threshold £5,965 p.a.
Class 3 (voluntary)	flat rate per week £14.10
Class 4 (self-employed)	9% on profits between £8,060 and £42,385 plus 2% on profits over £42,385

CAPITAL GAINS TAX

	2015/16	2014/15
Individuals	£	£
Exemption	11,100	11,000
Standard rate	18%	18%
Higher rate*	28%	28%
Trusts		
Exemption	5,550	5,500
Rate	28%	28%

*For higher and additional rate taxpayers.

Entrepreneurs' Relief

The first £10m of qualifying gains are charged at 10%. Gains in excess of the limit are charged at the rates detailed above.

CAR, VAN AND FUEL BENEFITS

2015/16

Company cars

For diesel cars add a 3% supplement but maximum still 37%.

For cars registered before 1 January 1998 the charge is based on engine size.

The list price includes accessories and is not subject to an upper limit.

The list price is reduced for capital contributions made by the employee up to £5,000.

Special rules may apply to cars provided for disabled employees.

*Rounding down to the nearest 5gm/km does not apply.

CO ₂ emissions (gm/km) (round down to nearest 5gm/km)	% of car's list price taxed
0-50*	5
51-75*	9
76-94*	13
95	14
100	15
105	16
110	17
115	18
120	19
125	20
130	21
135	22
140	23
145	24
150	25
155	26
160	27
165	28
170	29
175	30
180	31
185	32
190	33
195	34
200	35
205	36
210 and above	37

Car fuel benefit 2015/16

£22,100 x 'appropriate percentage'

*Percentage used to calculate the taxable benefit of the car for which the fuel is provided.

The charge does not apply to certain environmentally friendly cars.

The charge is proportionately reduced if provision of private fuel ceases part way through the year. The fuel benefit is reduced to nil only if the employee pays for all private fuel.

Van benefit per vehicle 2015/16

Van benefit £3,150

Fuel benefit £594

The charges do not apply to vans if a 'restricted private use condition' is met throughout the year.

A reduced charge may be due if the van cannot in any circumstances emit CO₂ by being driven.

MILEAGE ALLOWANCE PAYMENTS

2015/16 and 2014/15

Cars and vans Rate per mile

Up to 10,000 miles

45p

These rates represent the maximum tax free mileage allowances for employees using their own vehicles for business.

Over 10,000 miles

25p

Bicycles

20p

Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

Motorcycles

24p

STATUTORY PAY RATES

Weekly benefit	2015/16	2014/15
Basic retirement pension - single person	£115.95	£113.10
- married couple	£185.45	£180.90
Statutory pay rates - average weekly earnings £112 (£111) or over		
Statutory Sick Pay	£88.45	£87.55
Statutory Maternity Pay - First six weeks	90% of weekly earnings	
- Next 33 weeks	£139.58*	£138.18*
Statutory Paternity Pay - two weeks	£139.58*	£138.18*
Statutory Adoption Pay - 39 weeks	£139.58*♦	£138.18*

*Or 90% of weekly earnings if lower. ♦First six weeks 90% of weekly earnings.

TAX RELIEFS FOR INDIVIDUALS

2015/16 and 2014/15

Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1m p.a.:

- Income tax relief at 30%.
- Capital gains exemption on disposal.

Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £100,000 p.a.:

- Income tax relief at 50%.
- Capital gains exemption on disposal.

Capital gains from the disposal of other assets may be exempt up to £50,000 p.a. by making an SEIS investment.

Venture Capital Trusts (VCTs)

Relief on investments in certain quoted companies up to £200,000 p.a.:

- Income tax relief at 30%.
- Capital gains exemption on disposal.

Dividends received from VCTs may be exempt from income tax.

Social Investment Relief (SIR)

Relief on investments in certain social enterprises (including charities) up to £1m p.a.:

- Income tax relief at 30%.
- Capital gains exemption on disposal.

Capital gains from the disposal of other assets may be able to be deferred by making an SIR investment up to £1m p.a.

(All reliefs subject to detailed conditions being met.)

CORPORATION TAX

Year to 31.3.16

Year to 31.3.15

Profits band £	Rate %	Profits band £	Rate %
All profits	20	0 - 300,000	20*
		300,001 - 1,500,000	21.25*
		Over 1,500,000	21*
		Standard fraction	1/400*

*The profits limits are reduced for accounting periods of less than 12 months and for a company with associated companies.

Different rates apply for ring-fenced (broadly oil industry) profit.

CAPITAL ALLOWANCES

Plant and machinery - Annual Investment Allowance (AIA)

The AIA gives a 100% write-off on most types of plant and machinery costs, including integral features and long life assets but not cars, of up to £500,000 p.a. for expenditure incurred on or after 6 April 2014 (1 April 2014 for companies). The rate will be reduced to £200,000 for expenditure incurred on or after 1 January 2016. Special rules apply to accounting periods straddling these dates.

Any costs over the AIA fall into the normal capital allowance pools below. The AIA may need to be shared between certain businesses under common ownership.

Other plant and machinery allowances - The annual rate of allowance is 18%. An 8% rate applies to expenditure incurred on integral features and on long life assets.

A 100% first year allowance may be available on certain energy efficient plant and cars, including expenditure incurred on new and unused zero emission goods vehicles.

Cars - For expenditure incurred on cars, costs are generally allocated to one of the two plant and machinery pools. Cars with CO₂ emissions not exceeding 130gm/km receive an 18% allowance p.a. Cars with CO₂ emissions over 130gm/km receive an 8% allowance p.a.

VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%
Annual Registration Limit-from 1.4.15 (1.4.14 - 31.3.15 £81,000)	£82,000
Annual Deregistration Limit-from 1.4.15 (1.4.14 - 31.3.15 £79,000)	£80,000

PENSION PREMIUMS

2015/16

Tax relief available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings. Any contributions in excess of £40,000, whether personal or by the employer, may be subject to income tax on the individual. The limit may be reduced to £10,000 once money purchase pensions are accessed.

Where the £40,000 limit is not fully used it may be possible to carry the unused amount forward for three years.

Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively'. Tax relief for large contributions may be spread over several years.

STAMP DUTY AND STAMP DUTY LAND TAX

Land and buildings in England, Wales and N. Ireland

Rate	Residential*	Non-residential**	Rate
%	£	£	%
0	0 - 125,000	0 - 150,000	0
2	125,001 - 250,000	150,001 - 250,000	1
5	250,001 - 925,000	250,001 - 500,000	3
10	925,001 - 1,500,000	Over 500,000	4
12	1,500,001 and over	-	

*Payable on consideration which falls in each bracket.

**Payable on total consideration once limit is breached.

SDLT is charged at 15% on interests in residential dwellings costing more than £500,000 purchased by certain non-natural persons for acquisitions with an effective date on or after 20 March 2014.

Shares and securities - rate 0.5%.

LAND AND BUILDINGS TRANSACTION TAX

Land and buildings in Scotland

Rate	Residential	Non-residential	Rate
%	£	£	%
0	Up to 145,000	Up to 150,000	0
2	145,001 - 250,000	150,001 - 350,000	3
5	250,001 - 325,000	Over 350,000	4.5
10	325,001 - 750,000		
12	Over 750,000		

The rates apply to the portion of the total value which falls within each band in respect of transactions with an effective date on or after 1 April 2015.

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

Our services include:

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- Business start-up planning and advice
- Strategic and business planning
- Financial management
- Financial information systems
- Computer systems advice

Taxation advice

- Personal tax
- Business tax
- Capital gains tax
- Inheritance tax
- HMRC investigations
- Value Added Tax
- PAYE and National Insurance compliance

Accounting

- Preparation of annual accounts
- Preparation of periodic management accounts
- Book-keeping services
- Maintaining PAYE and VAT records & associated returns

Auditing

- Statutory audit
- Regulatory audit
- Voluntary audit

Company secretarial

- Preparation and filing of statutory returns
- Preparation of minutes and resolutions
- Company formation

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