



## Tax rates and allowances 2019-20

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Tax rates and allowances 2019-20

## PERSONAL TAX



## Tax rates and allowances 2019-20

### Income Tax Rates and Personal Allowances

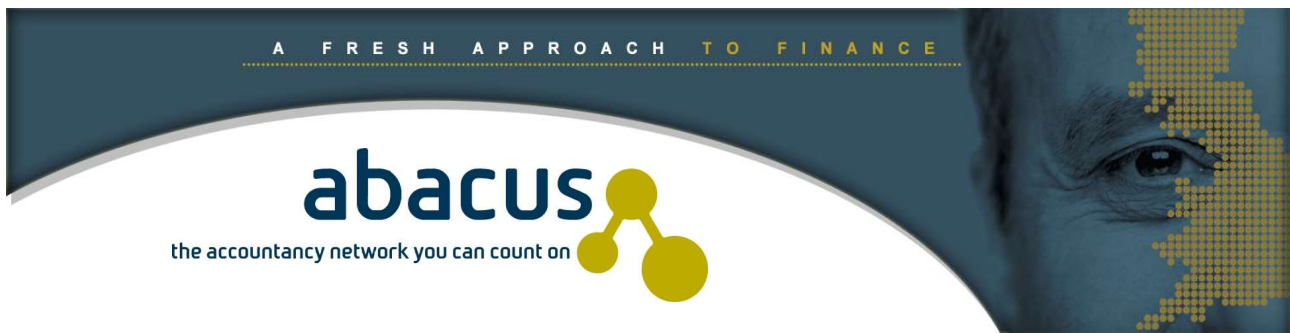
#### Income Tax - Allowances/Reliefs

		2019-20	2018-19
<b>Personal allowance</b>	Aged under 65 (note 5)	£12,500	£11,850
	Income limit for Personal Allowance	£100,000	£100,000
	Aged 75 and over (notes 1 & 4)	£12,500	£11,850
	Transferable tax allowance for married couples (notes 2 & 7)	£1,250	£1,190
<b>Income limit for age-related allowances</b>		£29,600	£28,900
<b>Married Couple's allowance tax reduction</b> (note 4)	Either partner born before 6 <sup>th</sup> April 1935 (notes 1-4)	£8,912	£8,695
	Minimum amount of Married Couple's allowance	£3,450	£3,360
<b>Blind Person's allowance</b> (note 6)		£2,450	£2,390

#### Notes

- These age-related allowances reduce by £1 for every £2 of income more than the income limit for age-related allowances.
- The Married Couple's Allowance. If you were married before 5<sup>th</sup> December 2005 and are living together and at least one spouse was born before 6<sup>th</sup> April 1935, the husband can claim Married Couple's Allowance. HMRC reduce your tax bill by 10% of the Married Couple's Allowance to which you're entitled.
- The Married Couple's Allowance. If you were married or in a civil partnership on or after 5<sup>th</sup> December 2005 and are living together and at least one spouse or partner was born before 6<sup>th</sup> April 1935, the person with the higher income can claim Married Couple's Allowance. HMRC reduce your tax bill by 10% of the Married Couple's Allowance to which he or she is entitled.
- Example of Calculating Married Couple's Allowance.  
You're 80, entitled to Married Couple's Allowance and have income before allowances of £31,500. HMRC subtract the income limit from your income before allowances  $£31,500 - £29,600 = £1,900$  above the age allowance income limit. Divide this by 2 = £950 (allowances reduced by £1 for every £2 above the age income limit). The £950 is then deducted from the Married Couple's Allowance leaving a Married Couple's Allowance of £7,965 (£8,915 - £950).
- For 2019-20 the personal allowance is progressively withdrawn for income over £100,000 leading to a marginal tax rate of 60% on income in the band £100,000 to £125,000 (£123,700 in 2018-19). In other words, for every £2 over £100,000 your personal allowance is reduced by £1 until your personal allowance becomes zero.
- Blind Person's Allowance is added to your tax free Personal Allowance so is an extra amount of income you can get each year without paying tax. If you are on a low income or even if you don't pay any tax you may be able to transfer your Blind Person's Allowance to your spouse or civil partner.
- Transferable tax allowance. To benefit as a couple, you need to earn less than your partner and have an income of £12,500 or less. If you were eligible for Married Couple's Allowance in the 2018-19 and/or 2019-20 tax year you can backdate your claim to 6<sup>th</sup> April 2018.





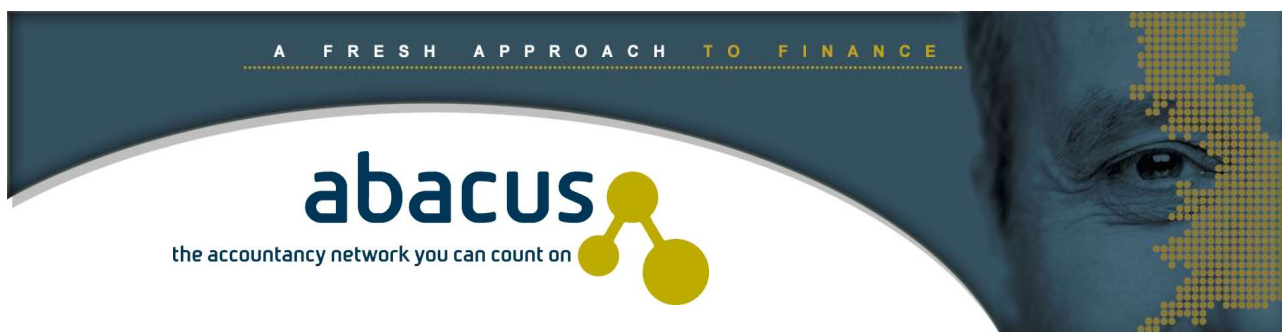
## Tax rates and allowances 2019-20

8. Neither the personal allowance nor the married couple allowance are available to non-UK domiciled individuals who make a claim to pay tax on the remittance basis of taxation.

Source of information

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#tax-thresholds-rates-and-codes>

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>



## Tax rates and allowances 2019-20

### Income Tax Rates and Personal Allowances

#### Income Tax - Tax Rates

Other income taxed first, then savings income and finally dividends.

2019-20

#### UK (excl. Scotland) Basic Rate Threshold

2019-20				
Band (£)		Other Income	Savings	Dividends
£0 - £5,000	(note 1)	-	0%	-
£0 - £1,000	(note 2)	-	0%	-
£0 - £500	(note 3)	-	0%	-
£0 - £2,000	(note 4)	-	-	0%
£1,001 - £37,500		-	20%	-
£501 - £37,500		-	20%	-
£0 - £37,500		20%	-	-
£2,001 - £37,500		-	-	7.5%
£37,501 - £150,000		40%	40%	32.5%
Over £150,000		45%	45%	38.1%

#### Note

- Wales also has a separate table, but for 2019-20 it is identical to England/N.I.

#### Source of information

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#tax-thresholds-rates-and-codes>

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/topic/personal-tax/income-tax>





## Tax rates and allowances 2019-20

### Scottish Basic Rate Threshold

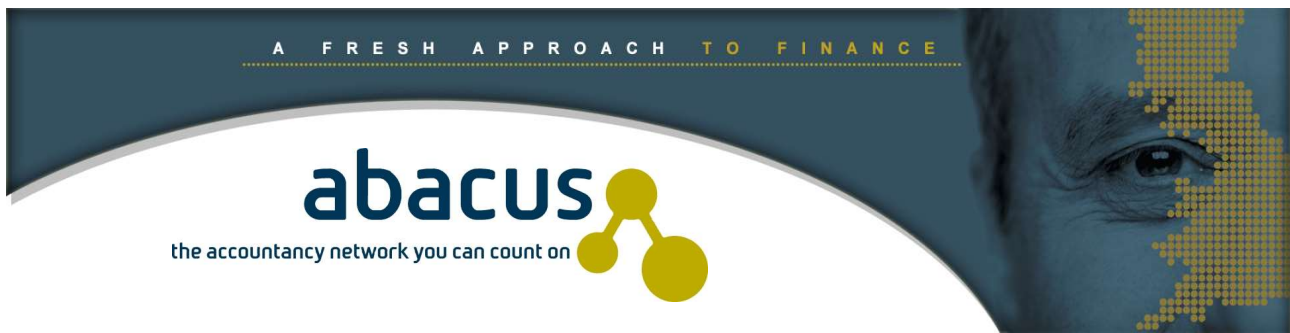
2019-20				
Band (£)		Other Income	Savings	Dividends
£0 - £5,000	(note 1)	-	0%	-
£0 - £1,000	(note 2)	-	0%	-
£0 - £500	(note 3)	-	0%	-
£0 - £2,000	(note 4)	-	-	0%
£1,001 - £31,500		-	20%	-
£501 - £31,500		-	20%	-
£0 - £2,049		19%	-	-
£2,050 - £12,444		20%	-	7.5%
£12,445 - £30,930		21%	-	7.5%
£31,931 - £150,000		41%	40%	32.5%
Over £150,000		46%	45%	38.1%

### Notes

- From 2008-09 there is a starting rate for savings income only of £5,000 with a starting rate of 0%. If an individual's taxable non-savings income exceeds the starting rate limit, then the starting rate for savings will not be available for savings income.
- From April 2017, the new Personal Savings Allowance means that basic rate income tax payers will not have to pay tax on the first £1,000 of savings they receive.
- Higher rate tax payers will not have to pay tax on the first £500 of savings income.
- From 2016-17, dividends will no longer be grossed up to determine the taxable dividend. Also, the non-repayable tax credit equal to 10% of the grossed-up figure no longer applies. Instead the first £2,000 (also £2,000 in 2018-19) of dividend income is taxed at 0%.
- The income bands are broadly used in the following order
  - Non-savings income
  - Savings income
  - Dividends.
- Discretionary Trusts and Accumulation and Maintenance Trusts are entitled to a standard rate band of £1,000. Income in excess of this amount is subject to income tax at the top rate of income tax which is 45%. The rate of tax on dividend income received in excess of the standard rate band is 38.1%.

Source of information

<https://www.gov.scot/publications/scottish-income-tax-2019-2020>



## Tax rates and allowances 2019-20

### Trade Allowance 2019-20

Income up to £1,000	Profits assessable as Nil do not have to be declared to HMRC
Income over £1,000	Election to deduct £1,000 allowance from income instead of the actual expenses

#### Notes

1. Individuals with small amounts of trading income less than £1,000 will no longer have to tell HMRC about the income or pay tax on it.
2. If trading income does exceed £1,000 the individual can elect to either calculate profit in the normal way (i.e. offset actual expenses) or simply elect to deduct the £1,000 allowance.
3. This allowance does not apply to rent-a-room income.

#### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

### Property Allowance 2019-20

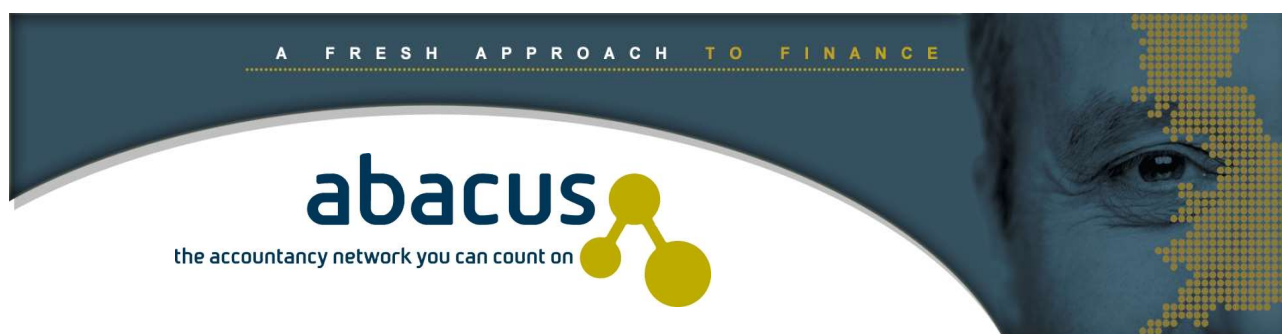
Income up to £1,000	Profits assessable as Nil do not have to be declared to HMRC
Income over £1,000	Election to deduct £1,000 allowance from income instead of the actual expenses

#### Notes

1. Individuals with small amounts of property income less than £1,000 will no longer have to tell HMRC about the income or pay tax on it.
2. If property income does exceed £1,000 the individual can elect to either calculate profit in the normal way (i.e. offset actual expenses) or simply elect to deduct the £1,000 allowance.
3. This allowance does not apply to rent-a-room income.

#### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>



## Tax rates and allowances 2019-20

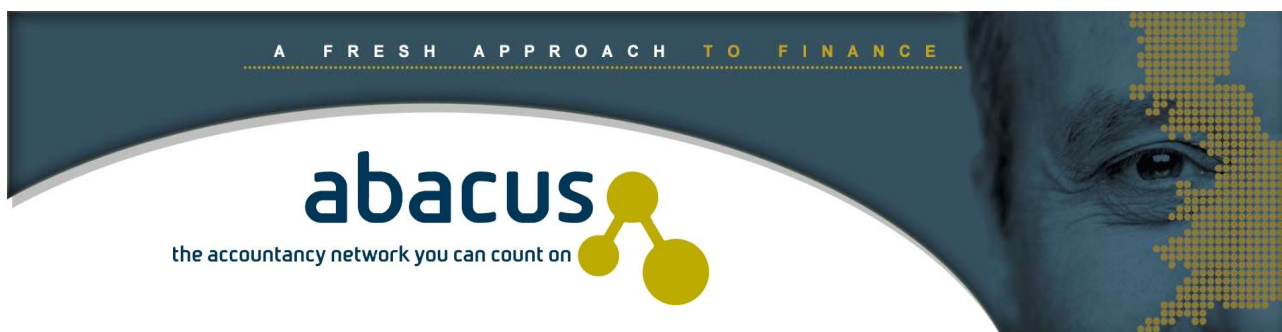
### 2018-19

#### UK (excl. Scotland) Basic Rate Threshold

2018-19				
Band (£)		Other Income	Savings	Dividends
£0 - £5,000	(note 1)	-	0%	-
£0 - £1,000	(note 2)	-	0%	-
£0 - £500	(note 3)	-	0%	-
£0 - £2,000	(note 4)	-	-	0%
£1,001 - £34,500		-	20%	-
£501 - £34,500		-	20%	-
£0 - £34,500		20%	-	-
£2,001 - £34,500		-	-	7.5%
£34,501 - £150,000		40%	40%	32.5%
Over £150,000		45%	45%	38.1%

#### Scottish Basic Rate Threshold

2018-19				
Band (£)		Other Income	Savings	Dividends
£0 - £5,000	(note 1)	-	0%	-
£0 - £1,000	(note 2)	-	0%	-
£0 - £500	(note 3)	-	0%	-
£0 - £2,000	(note 4)	-	-	0%
£1,001 - £31,500		-	20%	-
£501 - £31,500		-	20%	-
£0 - £2,000		19%	-	-
£2,001 - £12,150		20%	-	7.5%
£12,151 - £31,580		21%	-	7.5%
£31,581 - £150,000		41%	40%	32.5%
Over £150,000		46%	45%	38.1%



## Tax rates and allowances 2019-20

### Notes

1. From 2008-09 there is a starting rule for savings income only of £5,000 with a starting rate of 0%. If an individual's taxable non-savings income exceeds the starting rate limit, then the starting rate for savings will not be available for savings income.
2. From April 2017, the new Personal Savings Allowance means that basic rate income tax payers will not have to pay tax on the first £1,000 of savings they receive.
3. Higher rate tax payers will not have to pay tax on the first £500 of savings income.
4. From 2016-17, dividends will no longer be grossed up to determine the taxable dividend. Also, the non-repayable tax credit equal to 10% of the grossed-up figure no longer applies. Instead the first £2,000 (£5,000 in 2017-18) of dividend income is taxed at 0%.
5. The income bands are broadly used in the following order
  - Non-savings income
  - Savings income
  - Dividends.
6. Discretionary Trusts and Accumulation and Maintenance Trusts are entitled to a standard rate band of £1,000. Income in excess of this amount is subject to income tax at the top rate of income tax which is 45%. The rate of tax on dividend income received in excess of the standard rate band is 38.1%.

### Trade Allowance 2018-19

Income up to £1,000	Profits assessable as Nil do not have to be declared to HMRC
Income over £1,000	Election to deduct £1,000 allowance from income instead of the actual expenses

### Notes

1. Individuals with small amounts of trading income less than £1,000 will no longer have to tell HMRC about the income or pay tax on it.
2. If trading income does exceed £1,000 the individual can elect to either calculate profit in the normal way (i.e. offset actual expenses) or simply elect to deduct the £1,000 allowance.
3. This allowance does not apply to rent-a-room income.

### Property Allowance 2018-19

Income up to £1,000	Profits assessable as Nil do not have to be declared to HMRC
Income over £1,000	Election to deduct £1,000 allowance from income instead of the actual expenses

### Notes

1. Individuals with small amounts of property income less than £1,000 will no longer have to tell HMRC about the income or pay tax on it.
2. If property income does exceed £1,000 the individual can elect to either calculate profit in the normal way (i.e. offset actual expenses) or simply elect to deduct the £1,000 allowance.
3. This allowance does not apply to rent-a-room income.

## Tax rates and allowances 2019-20

### Tax Reliefs for Individuals

#### 2019-20

	Investment Limit	Income Tax Relief Rate	Required Years Invested	Capital Gains Treatment
Enterprise Investment Scheme (EIS) (see note 5)	£2,000,000	30%	3	Exempt
Seed Investment Scheme (SEIS)	£100,000	50%	3	Exempt
Venture Capital Trusts (VCT)	£200,000	30%	5	Exempt
Social Investment Relief	£1,000,000	30%	3	Exempt

#### 2018-19

	Investment Limit	Income Tax Relief Rate	Required Years Invested	Capital Gains Treatment
Enterprise Investment Scheme (EIS) (see note 5)	£2,000,000	30%	3	Exempt
Seed Investment Scheme (SEIS)	£100,000	50%	3	Exempt
Venture Capital Trusts (VCT)	£200,000	30%	5	Exempt
Social Investment Relief	£1,000,000	30%	3	Exempt

#### Notes

1. The **Enterprise Investment Scheme (EIS)** provides income tax relief, which is restricted to 30%, for individuals prepared to invest in new and growing companies. Investors can obtain generous income tax and capital gains tax (CGT) breaks for their investment and companies can use the relief to attract additional investment to develop their business. Individuals are entitled to relief on investments in certain unquoted trading companies through EIS.  
Capital gains from the disposal of other assets may be deferred by making an EIS investment.  
All reliefs are subject to detailed conditions being met.

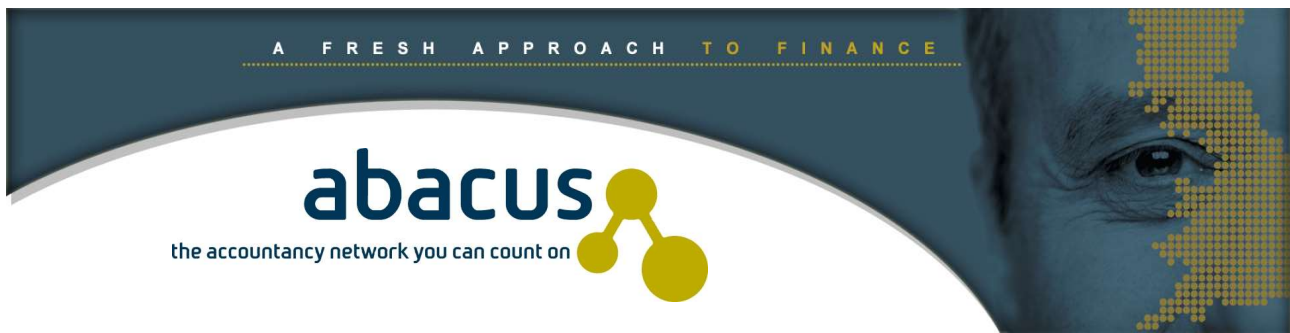
Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>  
<http://www.gov.uk/business-tax/investment-schemes>

2. **Seed Enterprise Investment Scheme (SEIS).** A junior version of EIS known as Seed Enterprise Investment Scheme gives an individual income tax relief of 50%. The relief applies to share in qualifying trading companies with fewer than 25 full-time equivalent employees, and assets of up to £200,000 issued after 6 April 2012. Maximum stake 30% of capital and voting rights. Total SEIS financing per company is limited to £150,000 cumulatively (with 3 years preceding the share issue).

Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>  
<http://www.gov.uk/guidance/seed-enterprise-investment-scheme-background>



## Tax rates and allowances 2019-20

3. **Venture Capital Trusts (VCTs)** are designed to encourage private individuals to invest in smaller high-risk unquoted trading companies. VCTs operate by indirect investment through a mediated fund. In effect they are very like the investment trusts that are obtainable on the stock exchange, albeit in a high-risk environment. Individuals are entitled to relief on investments in VCTs. Dividends received from the investment are exempt from tax. All reliefs are subject to detailed conditions being met. The rate of income tax refund for investors in VCTs is 30%.

Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://gov.uk/topic/business-tax/investment-schemes>

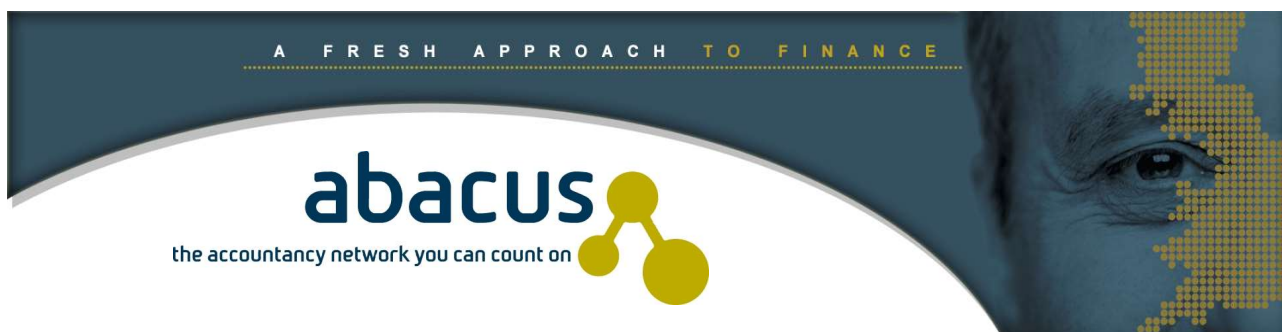
4. **Social Investment Relief (SIR)** is designed to encourage private individuals to invest in social enterprises including charities. Individuals are entitled to relief on their investments. Capital gains from the disposal of other assets may be deferred by making a SIR investment. All reliefs are subject to detailed conditions being met.

Source of information

<https://www.gov.uk/guidance/venture-capital-schemes-apply-to-use-social-investment-tax-relief>

5. **For 2018-19 onwards**, amount over £1m must be invested in 'knowledge-intensive' companies.





## Tax rates and allowances 2019-20

### Individual Savings Accounts (ISAs)

	2019-20	2018-19
Overall investment limit	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
Junior ISA Limit	£4,368	£4,260
Help-to-Buy ISA monthly subscription (initial deposit maximum limit £1,000)	£200	£200

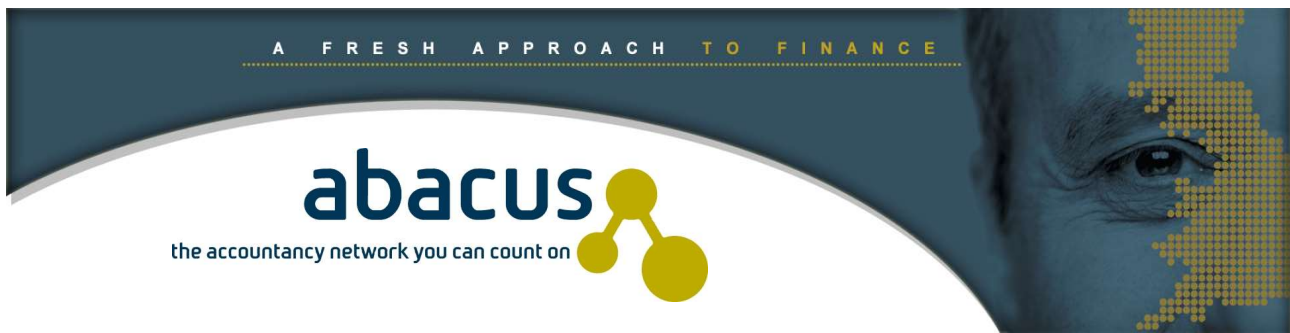
#### **Note**

- Income and gains on ISA investments are tax free.
- A Help-to-Buy ISA enables first-time buyers saving up to £200 per month plus an initial amount of up to £1,000 towards their first home to receive a government bonus of £25% of the amount saved. The government will contribute a maximum of £3,000 on £12,000 of savings.
- A Lifetime ISA can be opened by individuals between the ages of 18 and 40. Individuals can save up to £4,000 each tax year into an account which will be topped up at the end of the tax year with a government bonus of 25%. The money saved, including the bonus, can be used to buy a first home worth up to £450,000 or can be withdrawn from the age of 60. Any contributions to this new Lifetime ISA counts towards the overall ISA subscription limit.

#### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/individual-savings-accounts>



## Tax rates and allowances 2019-20

### Child Trust Fund

	2019-20	2018-19
Cash value of Child Trust Fund Limit	-	-

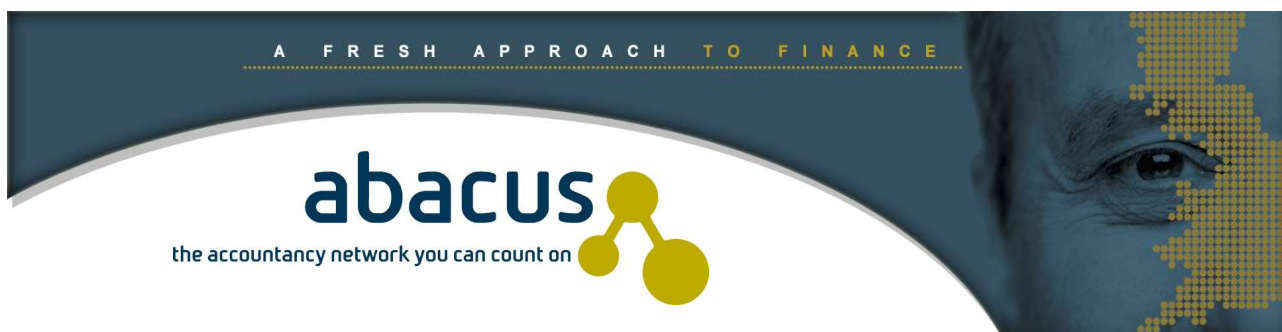
#### Notes

- You can't open a new Child Trust Fund because the scheme is now closed (use a Junior ISA instead).
- If you already have a Child Trust Fund you can continue to add to it each year. In 2019-20 you can add a maximum of £4,368 to your CTF account (2018-19: £4,260). The money belongs to the child but can't be taken out until they are 18. They can take control of the account when they are 16.

#### Source of information

<https://www.gov.uk/child-trust-funds>

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

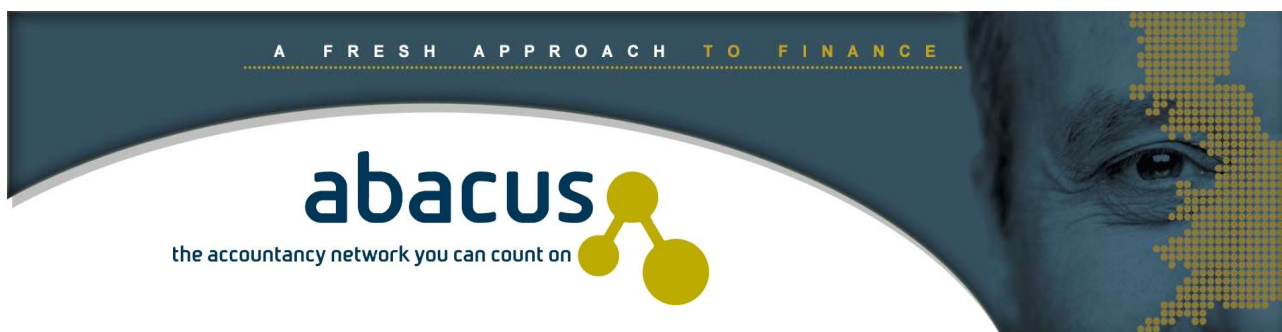


## Tax rates and allowances 2019-20

### Registered Pension Schemes

#### Standard Lifetime Allowance

Tax Year	Amount
2019-2020	£1,055,000
2018-2019	£1,030,000
2017-2018	£1,000,000
2016-2017	£1,000,000
2015-2016	£1,250,000
2014-2015	£1,250,000
2013-2014	£1,500,000
2012-2013	£1,500,000
2011-2012	£1,800,000
2010-2011	£1,800,000
2009-2010	£1,750,000
2008-2009	£1,650,000
2007-2008	£1,600,000
2006-2007	£1,500,000



## Tax rates and allowances 2019-20

### Member Contributions Annual Allowance Charge

Tax Year	Amount
2019-2020	£40,000 *
2018-2019	£40,000 *
2017-2018	£40,000 *
2016-2017	£40,000 *
2015-2016	£40,000
2014-2015	£40,000
2013-2014	£50,000
2012-2013	£50,000
2011-2012	£50,000
2010-2011	£255,000
2009-2010	£245,000
2008-2009	£235,000
2007-2008	£225,000
2006-2007	£215,000

\* For high earners and from the 2017-18 tax year the annual allowance is tapered. See note 6.



## Tax rates and allowances 2019-20

### Money Purchase Annual Allowance

Tax Year	Amount
2019-2020	£4,000
2018-2019	£4,000
2017-2018	£4,000
2016-2017	£10,000
2015-2016	£10,000

#### Notes

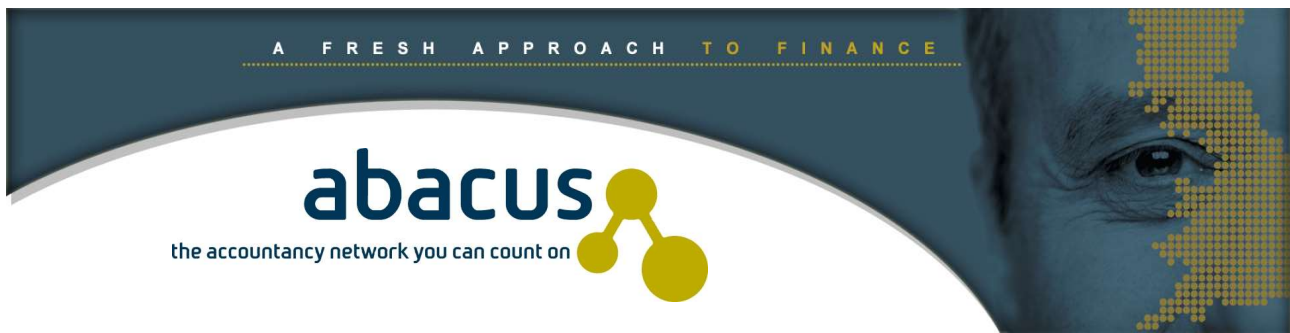
- Any contributions more than £40,000 (2018-19 also £40,000) whether personal or by the employer, may be subject to income tax on the individual at the appropriate rate (2018-19: 20%, 40%, 45% as appropriate).
- Tax relief is limited to relief on contributions up to the higher of 100% of relevant earnings or **£3,600**.
- Where the £40,000 limit is not fully used, it may be possible to carry the unused amount forward for three tax 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.
- There is a lifetime allowance excess charge. If the excess is drawn as cash the rate is 55% and if drawn as income 25%.
- High Earner's tapered annual allowance.

Some high-income individuals will face a cut in the amount of tax-efficient pension saving they can make from 6 April 2016.

The standard £40,000 annual allowance (AA) will be reduced by £1 for every £2 of '**adjusted income**' individuals have **over £150,000** in a tax year, until their AA drops to £10,000. So, someone with income of £210,000 would see their AA cut by £30,000.

But not everyone who fails the 'adjusted income' test will see their AA cut.

There is a second test which can help some people who are caught simply because pension savings exceed £40,000 in the tax year. So, even if their adjusted income exceeds £150,000, their AA won't be cut if their '**threshold income**' is **£110,000 or less** for the tax year.



## Tax rates and allowances 2019-20

Here's what's included for each test:

<b>Adjusted Income</b>  Above £150k = AA tapered	<b>Threshold Income</b>  £110k or below = full £40k AA available
<b>Included</b> <ul style="list-style-type: none"> <li>• Total income before tax from all sources (ignoring deductions for pension contributions)</li> <li>• The value of employer pension contributions</li> </ul>	<b>Included</b> <ul style="list-style-type: none"> <li>• Total income before tax from all sources</li> <li>• New salary sacrifice arrangements (started after 8 July 2015)</li> </ul>
<b>Deductions</b> <ul style="list-style-type: none"> <li>• None</li> </ul>	<b>Deductions</b> <ul style="list-style-type: none"> <li>• The individual's pension contributions</li> </ul>

Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/tax-on-your-private-pension>

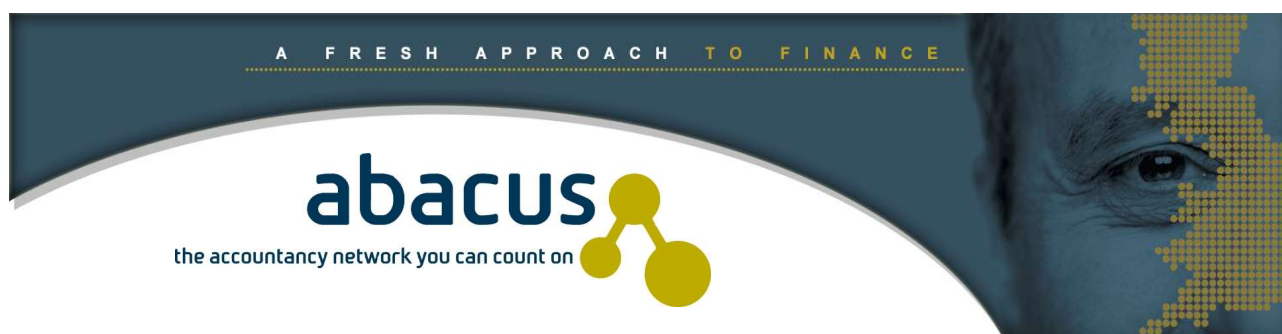




## Tax rates and allowances 2019-20

### Car and Fuel Benefits

% of car's list price taxed				
CO <sub>2</sub> emissions (gm/km) Round down to nearest 5gm/km (except *)	2019-20		2018-19	
	Petrol	Diesel	Petrol	Diesel
0*	-	-	-	-
1 – 50*	16%	20%	13%	17%
51 – 75*	19%	23%	16%	20%
76 – 94*	22%	26%	19%	23%
95	23%	27%	20%	24%
100	24%	28%	21%	25%
105	25%	29%	22%	26%
110	26%	30%	23%	27%
115	27%	31%	24%	28%
120	28%	32%	25%	29%
125	29%	33%	26%	30%
130	30%	34%	27%	31%
135	31%	35%	28%	32%
140	32%	36%	29%	33%
145	33%	37%	30%	34%
150	34%	37%	31%	35%
155	35%	37%	32%	36%
160	36%	37%	33%	37%
165	37%	37%	34%	37%
170	37%	37%	35%	37%
175	37%	37%	36%	37%
180 and above	37%	37%	37%	37%



## Tax rates and allowances 2019-20

### Company Cars

- Euro IV diesel cars registered before 1st January 2006 do not suffer the supplement.
- A 0% rate applies to electric cars.
- 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.
- The Car Benefit is calculated by multiplying the appropriate % above by the cars list price.
- From 6 April 2018:
  1. Diesel cars that meet the Real Driving Emissions standard (legislated as NOx <80mg/km and known as Euro6d) will be exempt from the supplement.
  2. For other diesel cars, the percentage is calculated as the petrol percentage plus 4%, to a maximum of 37%.

### Car Fuel Benefits

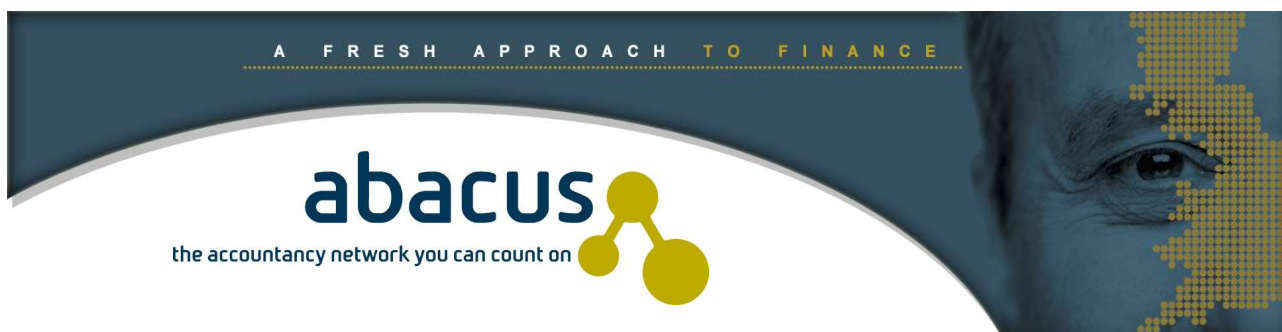
	2019-20	2018-19
Car Fuel Benefit Multiplier	£24,100	£23,400

#### Notes

- Car Fuel Benefit is calculated by multiplying the Car Fuel Benefit Multiplier by the appropriate % from the CO<sub>2</sub> Emissions table above.
- 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.
- The appropriate percentage for electric cars for the purposes of company tax for 2019-20 is 13% (2018-19: 16%, and then dropping significantly to 2% from 2020-21).
- The government will legislate such that, from April 2018, employer provided electricity will be exempt from tax as a benefit-in-kind. This already applies where the cars in question are company cars, but this will now additionally apply to electricity provided in workplace charging points for fully electric or hybrid cars owned by employees.

#### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>  
<http://www.gov.uk/expenses-and-benefits-company-cars>



## Tax rates and allowances 2019-20

### Van benefit per vehicle

	2019-20	2018-19
Van - zero emission	See note	See note
Other Van Benefit	£3,430	£3,350
Fuel Benefit	£655	£633

#### Notes

- The charges do not apply to vans which cannot emit CO<sub>2</sub> when driven or if a "restricted private use condition" is met throughout the year.
- The van benefit charge exemption for zero emission vans is to be phased out between April 2015 and April 2022.
- From 6 April 2015 a Vans Benefit Charge (VBC) will apply for zero emission vans.

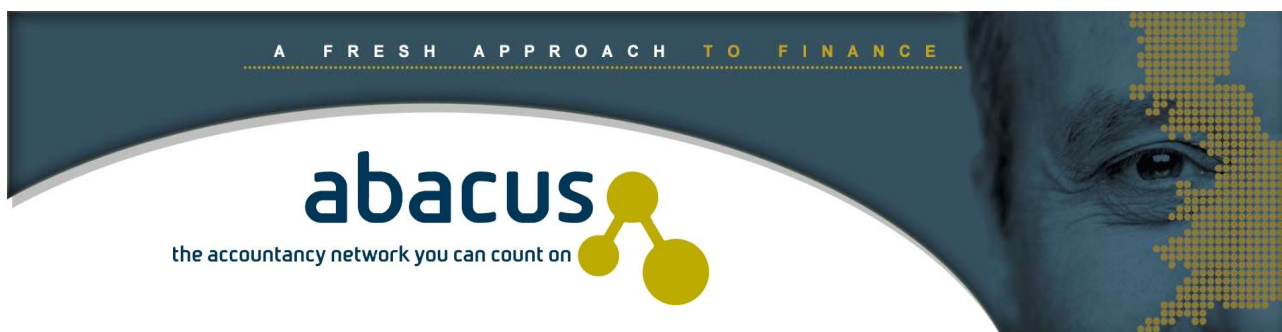
This rate is tapered and will increase as follows:

Tax year	% of Van Benefit Charge
2022-23	100%
2021-22	90%
2020-21	80%
2019-20	60%
2018-19	40%
2017-18	20%
2016-17	20%

Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/expenses-and-benefits-company-vans>



## Tax rates and allowances 2019-20

### Travel Allowances

For either private vehicles or company cars, you cannot claim for travelling to where you work, unless it is a temporary place of work.

### Private Vehicles - approved mileage rates

	Business Miles	2019-20	2018-19
Cars and vans	Up to 10,000	45p	45p
	Over 10,000	25p	25p
Each passenger making the same trip		5p	5p
Motor cycles		24p	24p
Bicycles		20p	20p

#### Notes

1. These rates represent the maximum tax-free mileage allowances for employees using their own vehicles for business.
2. Any excess is taxable.
3. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

#### Source of information

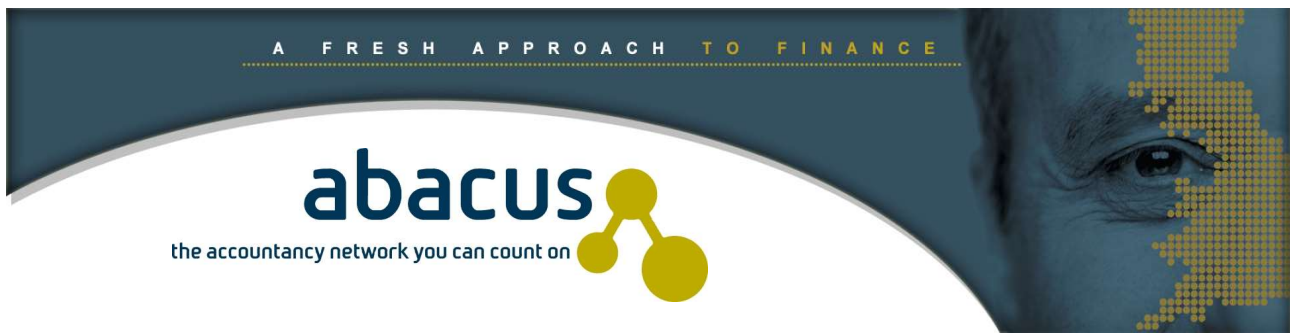
<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#company-cars-advisory-fuel-rates-afrs>  
<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>  
<http://www.gov.uk/expenses-and-benefits-business-travel-mileage>

### Company Cars - advisory fuel rates

Engine Size	Petrol		LPG		Engine Size	Diesel	
	From 01.03.19	01.12.18 to 28.02.19	From 01.03.19	01.12.18 to 28.02.19		From 01.03.19	01.12.18 to 28.02.19
Up to 1,400cc	11p	12p	7p	8p	Up to 1,600cc	9p	10p
1,401cc - 2,000cc	14p	15p	8p	10p	1,601cc - 2,000cc	11p	12p
Over 2,000cc	21p	22p	13p	15p	Over 2,000cc	13p	14p

#### Note

- Fully electric cars 4p per mile from 01.12.18.
- Hybrid cars are treated as either petrol or diesel cars for this purpose.
- For either private vehicles or company cars you cannot claim for travelling to where you work, unless it's a temporary place of work.



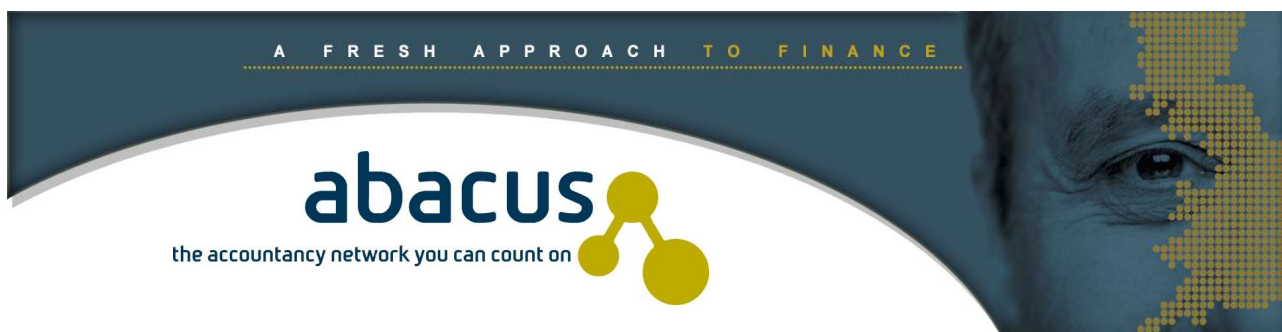
## Tax rates and allowances 2019-20

Source of information

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#company-cars-advisory-fuel-rates-afrs>

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/government/publications/advisory-fuel-rates>



## Tax rates and allowances 2019-20

### Capital Gains Tax - Individuals and Trustees

#### Annual exempt amount

			2019-20	2018-19
Individuals	Exemption		£12,000	£11,700
	Couples Allowance		£24,000	£23,400
	Chattels proceeds exemption		£6,000	£6,000
	Other chargeable assets	Standard Rate	10%	10%
		Higher Rate	20%	20%
	Residential property (not principal place of residency)	Standard Rate	18%	18%
		Higher Rate	28%	28%
Trusts	Exemption		£6,000	£5,850
	Trust Rate		20%	20%
	Trust Rate for gains on residential property		28%	28%

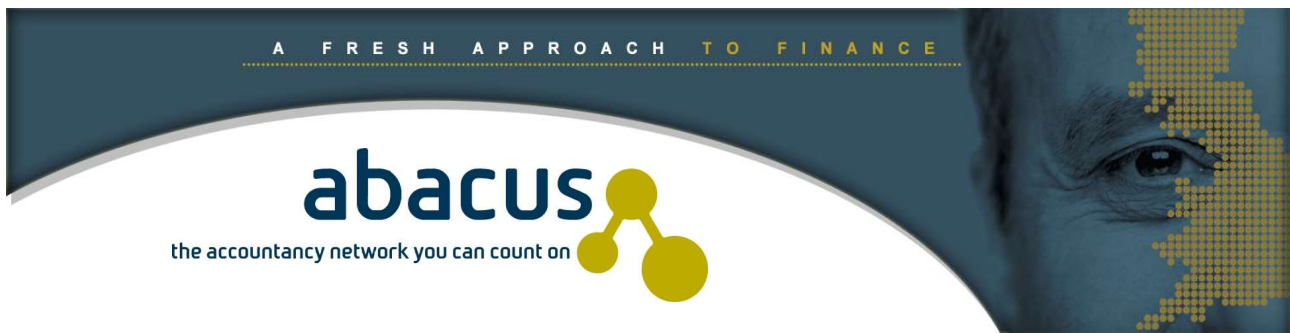
#### Entrepreneurs' Relief

- For disposals on or after 6th April 2011 the first £10M (this is the lifetime total) (£5M for disposals on/after 23rd June 2010 and before 6th April 2011) of qualifying gains are charged at 10%.
- Gains more than the limit are charged at the rates detailed above.

#### 100% Reliefs on

- Enterprise Investment Schemes.
- Venture Capital Trusts.
- Principal Private Residence.





## Tax rates and allowances 2019-20

### Tax Year 2019-20 Rates

- 10% and 20% tax rates for individuals (not including residential property and carried interest).
- 18% and 28% tax rates for individuals for residential property and carried interest.
- 20% for trustees or for personal representative of someone who has died (not including residential property).
- 28% for trustees or for personal representative of someone who has died for disposals of residential property.
- 10% for gains qualify for Entrepreneurs Relief.
- 28% for Capital Gains Tax on property where the annual tax on Enveloped Dwellings is paid – the annual exempt amount is not applicable.
- 20% for companies (non-residential Capital Gains Tax on the disposal of a UK residential property).

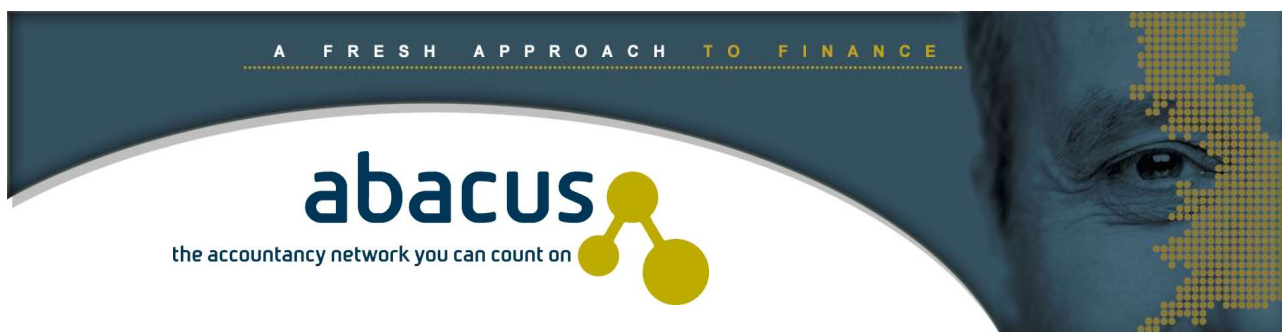
### Tax Year 2018-19 Rates

- 10% and 20% tax rates for individuals (not including residential property and carried interest).
- 18% and 28% tax rates for individuals for residential property and carried interest.
- 20% for trustees or for personal representative of someone who has died (not including residential property).
- 28% for trustees or for personal representative of someone who has died for disposals of residential property.
- 10% for gains qualify for Entrepreneurs Relief.
- 28% for Capital Gains Tax on property where the annual tax on Enveloped Dwellings is paid – the annual exempt amount is not applicable.
- 20% for companies (non-residential Capital Gains Tax on the disposal of a UK residential property).

Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/topic/personal-tax/capital-gains-tax>



## Tax rates and allowances 2019-20

### Inheritance Tax

#### Inheritance tax threshold

	2019-20		2018-19	
	Threshold Amount	Rate %	Threshold Amount	Rate %
Death Rate	Up to £325,000	Nil	Up to £325,000	Nil
	Over £325,000	40%	Over £325,000	40%
Lifetime Rate	Up to £325,000	Nil	Up to £325,000	Nil
	Over £325,000	20%	Over £325,000	20%

**Please note on the death of the first spouse or civil partner any unused nil rate band allowance is transferred to the remaining spouse or civil partner.**

**Example: If the deceased spouse hasn't used any of their nil rate band the remaining spouse or civil partner's nil rate band increases to £650,000.**

#### Notes

1. 40% Band rate is reduced to 36% where 10% or more of the net estate is left to charity.
2. Chargeable lifetime transfers are initially charged at 20%.

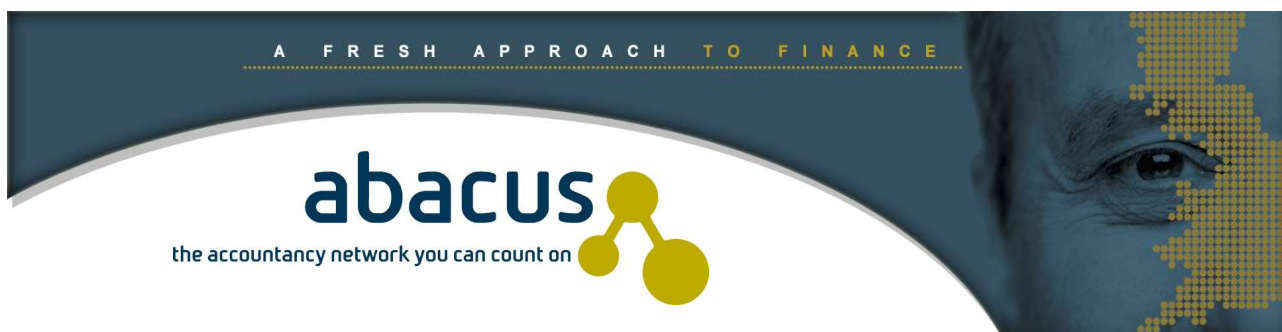
### Additional Main Residence Inheritance Tax Threshold

(Introduced in 2017-18)

	2019-20	2018-19
Death Rate	£150,000	£125,000

#### Notes

1. The main residence band was introduced on the 6<sup>th</sup> April 2017.
2. It is only valid on the main residence and where the recipient of the home is a direct descendent (Children, Step Children, Grandchildren).
3. This additional allowance increases the threshold to £475,000 and £950,000 for couples.
4. On properties valued between £1M and £2M inheritance tax will be paid as normal on the amount above the tax-free amount.
5. For properties valued more than £2M for every £2 above £2M you will lose £1 of the main residence allowance.



## Tax rates and allowances 2019-20

### Reliefs

		2019-20	2018-19
<b>Annual exemption</b>		£3,000	£3,000
<b>Small gifts</b>		£250	£250
<b>Marriage / Civil Partnership</b>	Parent	£5,000	£5,000
	Grandparent	£2,500	£2,500
	Bride / Groom	£2,500	£2,500
	Other	£1,000	£1,000

### Reduced charge on gifts within seven years of death

Years before death	% of death charge	Effective Rate %
0-3	100%	40%
3-4	80%	32%
4-5	60%	24%
5-6	40%	16%
6-7	20%	8%

#### Note

- Lifetime gifts to unit trusts are, subject to the NIC rate band, chargeable at half of the death rate increasing on the above scale if death occurs within 7 years.

#### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>  
<http://www.gov.uk/inheritance-tax>

## Tax rates and allowances 2019-20

### State Benefits

#### Weekly Benefit

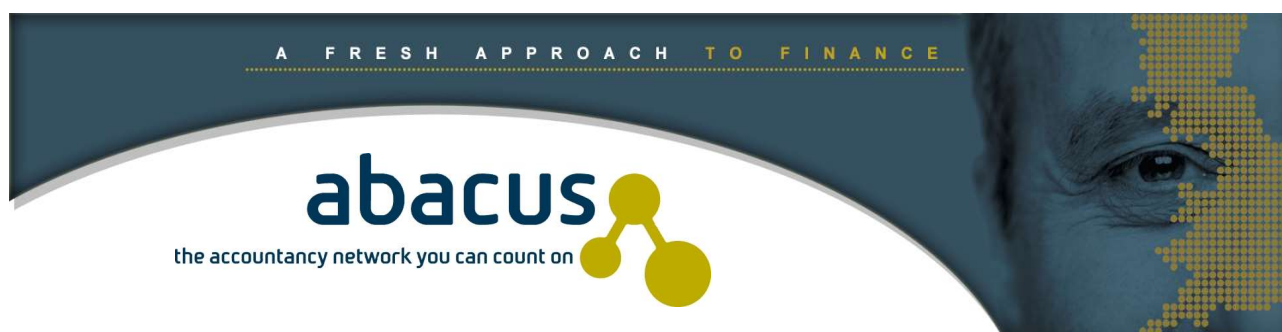
		2019-20	2018-19
Basic retirement pension	Single person	£129.20	£125.95
	Married couple	£206.65	£201.45
New State Pension (for those reaching state retirement age after 5 April 2016)		£168.60	£164.35
Pension Credit	Single person	£167.25	£163.00
	Married couple	£255.25	£248.80
Statutory pay rates - Average weekly earnings		£165.20	£116.31
Statutory Sick Pay		£94.25	£92.05
Statutory Maternity Pay	First six weeks - % of weekly earnings	90%	90%
	Next 33 weeks	£148.68*	£145.18*
Statutory Paternity Pay	2 weeks	£148.68*	£145.18*
Statutory Shared Paternity Pay	Maximum of 26 weeks can be taken by the father	£148.68*	£145.18*
Statutory Adoption Pay	First six weeks - % of weekly earnings	90%	90%
	39 weeks	£148.68*	£145.18*

#### Notes

1. Statutory maternity leave is 52 weeks of which 39 are paid. However, you do not have to take all 52 weeks but you must have a minimum of 2 weeks (4 weeks if you work in a factory).
2. The 52 weeks can be shared between the parents. The father can take blocks of leave with periods of work in between. A total of 26 weeks can be taken as paid leave by the father.
3. The father can still take 2 weeks' paternity leave without sharing any of the 52-week maternity leave.
4. \* Or 90% of weekly earnings whichever is the lower.
5. You can check your state pension age by going to <http://www.gov.uk/state-pension-age>
6. If you want to see what your state pension forecast amount is go to:  
<http://www.gov.uk/check-state-pension>
7. To get your full state pension you require 30 qualifying years of National Insurance contributions and credits. If you are short of years you can make voluntary payments to make sure the last 6 years are full years. You can check how many qualifying years you have by going to  
<http://www.gov.uk/check-national-insurance-record>

#### Source of information

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#statutory-maternity-paternity-adoption-and-shared-parental-pay>  
<https://www.gov.uk/state-pension>



## Tax rates and allowances 2019-20

### Statutory Sick Pay – Daily Rates

2019-20

Unrounded Daily Rates	Number of Qualifying Days in week	1 Day to pay	2 Days to pay	3 Days to pay	4 Days to pay	5 Days to pay	6 Days to pay	7 Days to pay
£13.4642	7	£13.47	£26.93	£40.40	£53.86	£67.33	£80.79	94.25
£15.7083	6	£15.71	£31.42	£47.13	£62.84	£78.55	£94.25	
£18.8500	5	£18.85	£37.70	£56.55	£75.40	£94.25		
£23.5625	4	£23.57	£47.13	£70.69	£94.25			
£31.4166	3	£31.42	£62.84	£94.25				
£47.1250	2	£47.13	£94.25					
£94.2500	1	£94.25						

Source of information

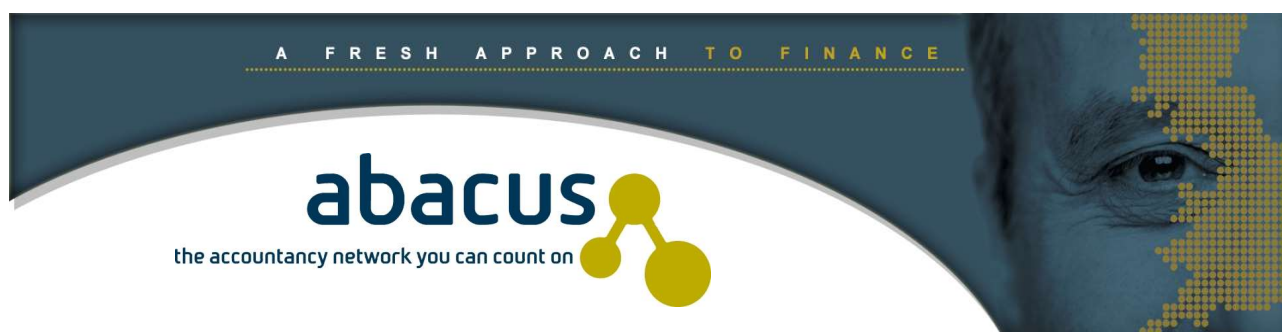
<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#statutory-sick-pay-ssp>

<https://www.gov.uk/statutory-sick-pay>

<https://www.gov.uk/employers-sick-pay>

2018-19

Unrounded Daily Rates	Number of Qualifying Days in week	1 Day to pay	2 Days to pay	3 Days to pay	4 Days to pay	5 Days to pay	6 Days to pay	7 Days to pay
£13.1500	7	£13.15	£26.30	£39.45	£52.60	£65.75	£78.90	92.05
£15.3417	6	£15.34	£30.68	£46.03	£61.37	£76.71	£92.05	
£18.4100	5	£18.41	£36.82	£55.23	£73.64	£92.05		
£23.0125	4	£23.01	£46.03	£69.04	£92.05			
£30.6833	3	£30.68	£61.37	£92.05				
£46.0250	2	£46.03	£92.05					
£92.0500	1	£92.05						



## Tax rates and allowances 2019-20

### Employers

For SMP/OSPP/ASPP/SAP - proportion of your payments you can recover from HMRC:

		% of payments made that can be reclaimed	
		2019-20	2018-19
If your total Class 1 NICs (both employee and employer contributions) in the previous tax year were:	above £45,000	92%	92%
	below £45,000	103%	103%

### Student Loan Repayments

#### Student Loan Recovery – Plan 1

This plan is for students in Scotland or Northern Ireland or students who received EU Funding at any time in Scotland and Northern Ireland or before 1<sup>st</sup> September 2012 and you lived in England or Wales.

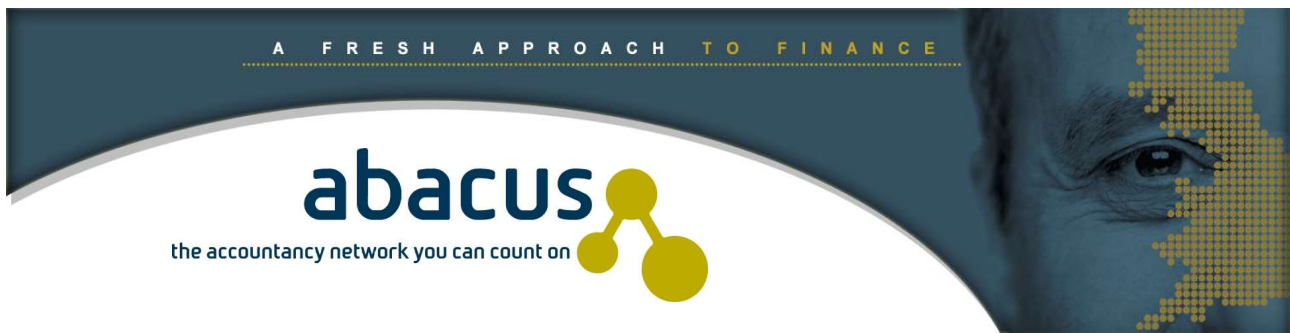
Student Loan Recovery - Plan 1		
	2019-20	2018-19
Per Year	£18,935.00	£18,330.00
Per Month	£1,557.91	£1,527.00
Per Week	£364.13	£352.00
Rate of Student Loan Deduction	9%	9%

#### Student Loan Recovery – Plan 2

This plan is for students who took out their loan on or after 1<sup>st</sup> September 2012 and lived in England or Wales or received EU Funding and lived in England or Wales. Also, if you lived in England or Wales and took an advanced learner loan for a further education course.

Student Loan Recovery - Plan 2		
	2019-20	2018-19
Per Year	£25,725.00	£25,000.00
Per Month	£2,143.75	£2,083.00
Per Week	£494.71	£480.00
Rate of Student Loan Deduction	9%	9%





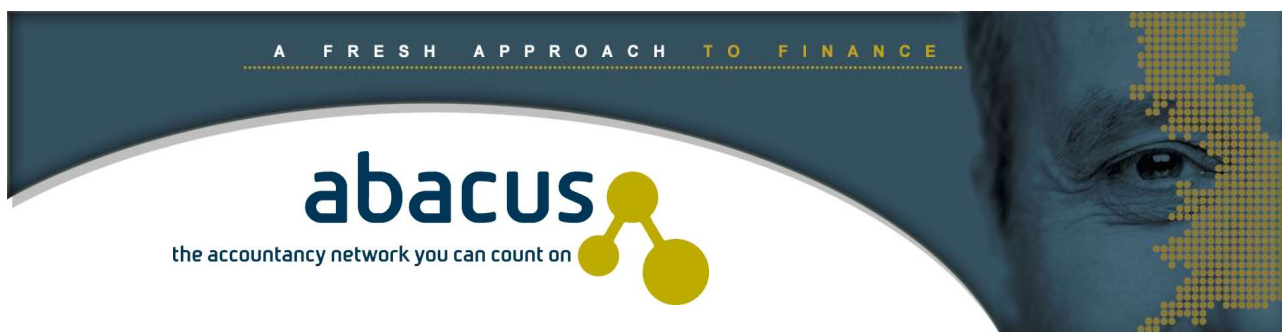
## Tax rates and allowances 2019-20

### Employee Earning Thresholds for Post-Graduate Loans

	<b>2019-20</b>
Per Year	£21,000.00
Per Month	£1,750.00
Per Week	£403.84
%	6%

#### Source of information

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#student-loan-and-postgraduate-loan-recovery>  
<https://www.gov.uk/student-finance>  
<https://www.gov.uk/student-finance-calculator>  
<https://www.gov.uk/repaying-your-student-loan>  
<https://www.gov.uk/contact-student-finance-england>



## Tax rates and allowances 2019-20

### Tax Credits

#### Working Tax Credit (WTC) Rates

	2019-20	2018-19
Basic Element	£1,960	£1,960
Couple and Lone Parent Element	£2,010	£2,010
30 Hour Element	£810	£810
Disabled worker Element	£3,165	£3,090
Severe Disability Element	£1,365	£1,330

#### Childcare Element of Working Tax Credit

	2019-20	2018-19
Maximum eligible cost for 1 child (per week)	£175	£175
Maximum eligible cost for 2 or more children (per week)	£300	£300
Percentage of eligible costs covered	70%	70%

#### Child Tax Credit Rates

	2019-20	2018-19
Child Tax Credit Family element	£545	£545
Child element	£2,780	£2,780
Disabled Child element	£3,355	£3,275
Severely Disabled Child element	£4,715	£4,600

#### Tax Credits Income Thresholds

	2019-20	2018-19
Income Threshold	£6,420	£6,420
Withdrawal Rate (percentage)	41%	41%
Threshold for those Entitled to Child Tax Credit Only	£16,105	£16,105
Income Rise Disregard	£2,500	£2,500
Income Fall Disregard	£2,500	£2,500

A F R E S H   A P P R O A C H   T O   F I N A N C E

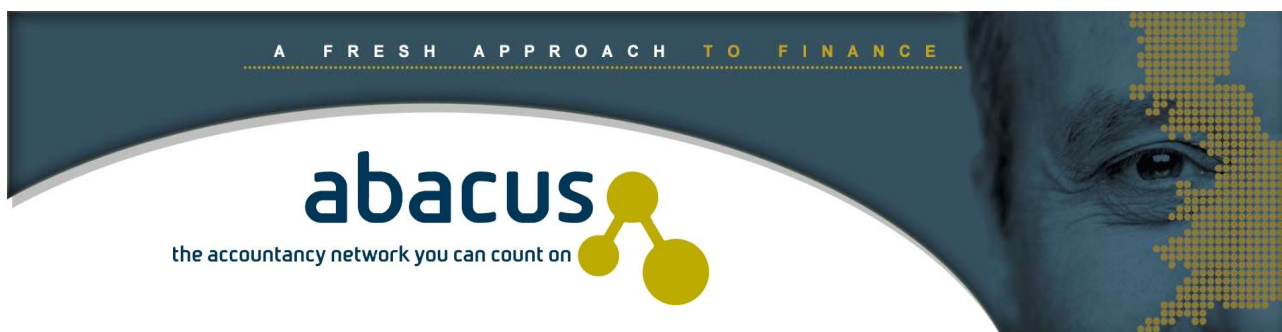


## Tax rates and allowances 2019-20

Source of information

<https://www.gov.uk/working-tax-credit>

<https://www.gov.uk/tax-credits-calculator>



## Tax rates and allowances 2019-20

### Universal Credits

#### Standard Allowance (monthly rates)

	2019-20	2018-19
Single under 25	£251.77	£251.77
Single 25 or over	£317.82	£317.82
Couple joint claimants both under 25	£395.20	£395.20
Couple joint claimants one or both 25 or over	£498.89	£498.89

#### Child Element

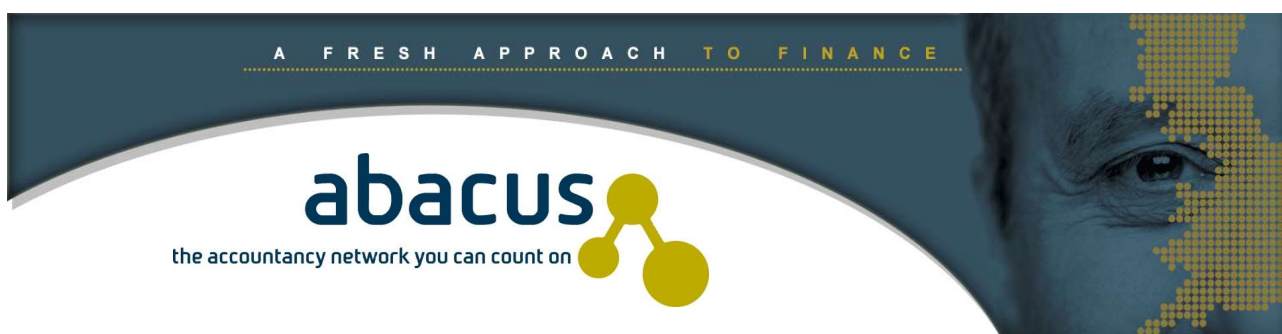
	2019-20	2018-19
First child	£277.08	£277.08
Second/subsequent children	£231.67	£231.67

#### Disabled Child Additions

	2019-20	2018-19
Lower rate addition	£126.11	£126.11
Higher rate addition	£392.08	£383.86
Limited capability for work element	£126.11	£126.11
Limited capability for work and work-related activity element	£336.20	£328.32
Carer element	£160.20	£156.45

#### Childcare element

	2019-20	2018-19
Maximum for one child	£646.35	£646.35
Maximum for two or more children	£1,108.04	£1,108.04
Non-dependants housing cost contributions	£73.89	£72.16



## Tax rates and allowances 2019-20

### Work Allowances

	2019-20	2018-19
Higher work allowance (no housing element)		
One or more dependent children or limited capability to work lower work allowance	£503.00	£409.00
One or more dependent children or limited capability for work	£287.00	£198.00
Assumed income from capital for every £250 or part thereof, between capital disregard and upper capital limit	£4.35	£4.35

### Notes

#### Child element

You will get this if you are responsible for a child or qualifying young person who normally lives with you.

#### Capability for work elements

The tests for these are the same as those for the work capability assessment (WCA) for employment and support allowance (limited capability for work and limited capability for work related activity tests).

#### Carer element

You can get this if you are caring for a severely disabled person for at least 35 hours a week. You will not be allowed to get this element together with a capability for work element even if you are eligible for both. You do not have to claim carer's allowance to get this element.

#### Childcare costs element

You can get this if you pay for registered child care in order to stay in work. There is no set number of hours you need to work to get this element. You will get 70% of your relevant childcare costs.

If you are part of a couple both of you must be in work unless one of you is unable to look after a child because they:

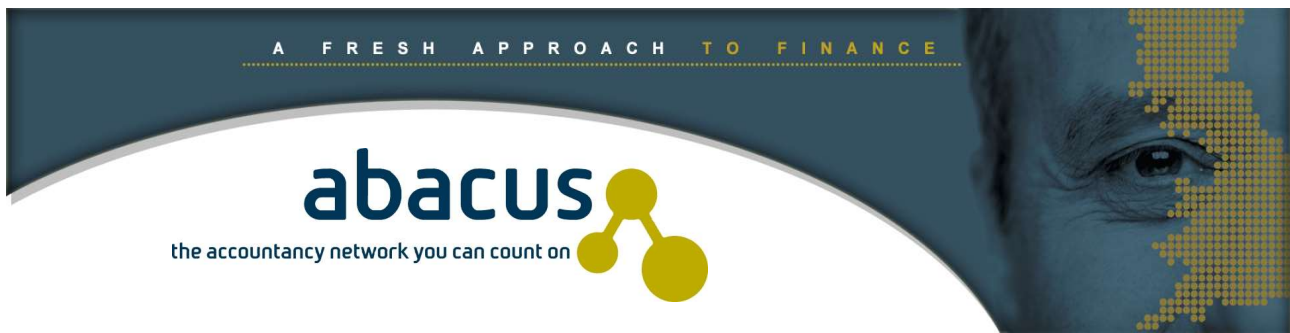
- have limited capability for work or limited capability for work related activity or
- have regular and substantial caring responsibilities for a severely disabled person or
- are temporarily absent from your household (i.e. in prison, hospital or residential care).

Generally, the childcare must be provided by someone who is registered for child care or an equivalent.

Relevant childcare is not care provided by a close relative, wholly or mainly in your home or care you provide as a foster carer.

#### Non-dependant deductions will not be made if you or your partner:

- is registered blind;
- receives middle or high rate DLA care component;
- receives attendance allowance;
- receives the daily living component of a personal independence payment.



## Tax rates and allowances 2019-20

No deduction will be made for the following non-dependents living with you:

- anyone under 21;
- lone parents with a child under 5;
- anyone getting state pension credit;
- anyone getting middle or high rate disability living allowance care component;
- anyone getting attendance allowance;
- anyone getting the daily living component of a personal independence payment;
- anyone getting carer's allowance;
- prisoners on temporary release.

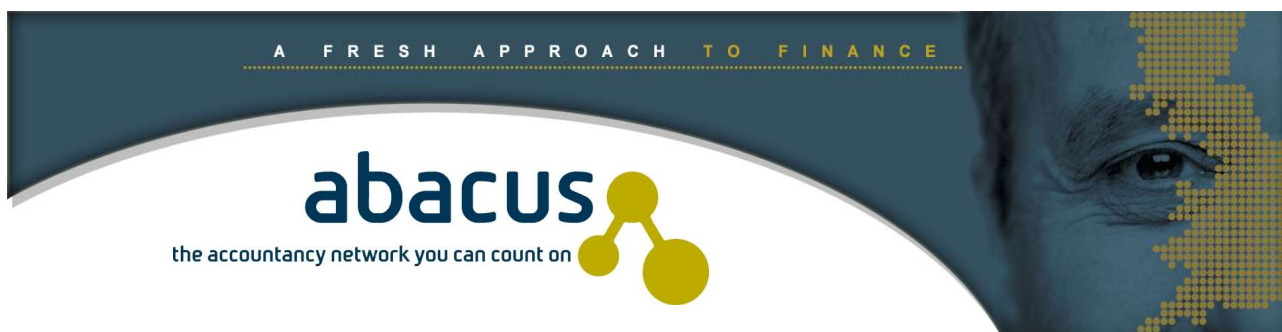
If you are in exempt accommodation your housing support will still be paid as part of housing benefit rather than as part of universal credit housing costs.

Source of information

<https://www.focusondisability.org.uk/universal-credit-benefit-rates-2019-2020.html>

<https://www.gov.uk/universal-credit>

<https://www.gov.uk/apply-universal-credit>



## Tax rates and allowances 2019-20

### Child Benefit and Guardian's Allowance

#### Child Benefit

	2019-20	2018-19
Eldest or Only Child (per week)	£20.70	£20.70
Other Children (per week)	£13.70	£13.70

#### Guardian's Allowance

	2019-20	2018-19
Per week	£17.60	£17.20

#### Notes

- Child benefit is receivable by a person responsible for each child under 16, or under 20 if they stay in education or training.
- You are eligible to receive child benefit if neither you nor your partner's individual income is over £50,000.
- If you choose not to receive child benefit payments, you should still register your claim because:
  - It will help you get National Insurance credits which count towards your state pension
  - It will ensure your child is registered to get a National Insurance number when they are 16 years old.
- Child Benefit stops on 31<sup>st</sup> August on or after your child's 16<sup>th</sup> birthday.
- You must report any changes of circumstances to the Child Benefit Office (see examples of changes below). **The phone number is 0300 200 3100**
  - Your child stays in education after 31st August in the year that they are 16.
  - Leaves education earlier than you originally advised the Child Benefit Office.
  - Your child starts paid work of 24 hours a week or more.
  - Will live away from you for either 8 weeks in a row or more than 56 days in a 16-week period.
  - Your child goes abroad permanently or for more than 12 weeks.
  - Your child moves to or from Northern Ireland.
  - Your child will be in residential care for more than 12 weeks.
  - Your child dies.
  - Your child changes their name or gender.
  - Your child goes missing.
  - Your child gets married, forms a civil partnership or lives with a partner.
  - Your child starts getting benefits.
  - Your child goes to prison for more than 8 weeks.
- You may have to pay a tax charge, known as the high-income child benefit charge if you have an income over £50,000 and you or your partner receives child benefit. You can calculate the tax charge at the following site: <http://www.gov.uk/child-benefit-tax-calculator>





## Tax rates and allowances 2019-20

Source of information

<https://www.gov.uk/child-benefit-rates>



## Tax rates and allowances 2019-20

### National Minimum Wage / National Living Wage

#### Notes

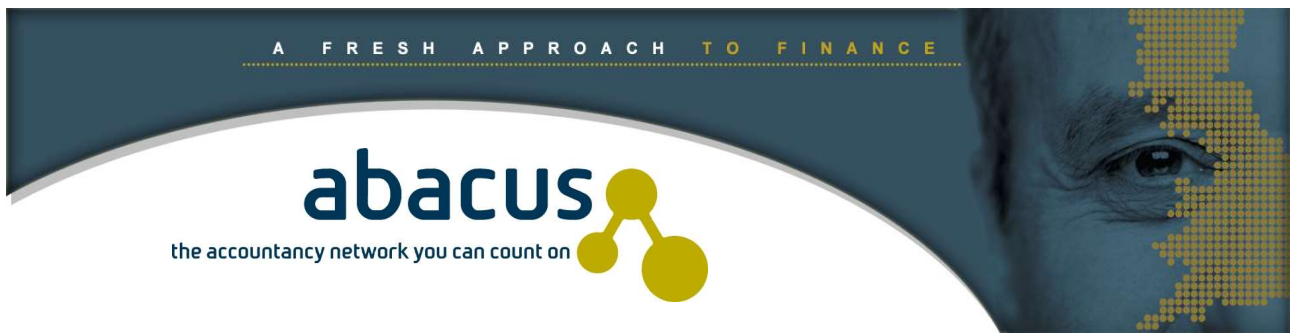
1. The National Minimum Wage (NMW) is applicable to workers aged under 25.
2. Workers must be at least school leaving age to qualify for NMW.
3. The National Living Wage (NLW) is applicable to workers aged 25 and over.
4. Both change annually on 1<sup>st</sup> April.

	Hourly Rates	
	From 01.04.19	01.04.18 to 31.03.19
25 and over	£8.21	£7.83
21 - 24-year-old	£7.70	£7.38
18 - 20-year-old	£6.15	£5.90
16 - 17-year-old	£4.35	£4.20
Apprentices aged under 19 or in the first year of their apprenticeship	£3.90	£3.70
Apprentices aged 19 or over and past the first year of their apprenticeship	the appropriate age rate above	the appropriate age rate above

#### Source of information

<https://www.gov.uk/national-minimum-wage-rates>

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#national-minimum-wage>



## Tax rates and allowances 2019-20

### Bereavement Support Payment

#### Eligibility

You may be able to receive a Bereavement Support Payment if your husband, wife or civil partner died on or after 6th April 2017.

You could be eligible if your partner either:

- Paid National Insurance contributions for at least 25 weeks.
- Died because of an accident at work or a disease caused by work.

When they died you must have been:

- Under State Pension age.
- Living in the UK or a country that pays bereavement benefits.

You can check this at: <https://www.gov.uk/claim-benefits-abroad/bereavement-benefits>.

You cannot claim Bereavement Support Payment if you're in prison.

If your husband, wife or civil partner died before 6th April 2017 you may be able to get one or more of the following:

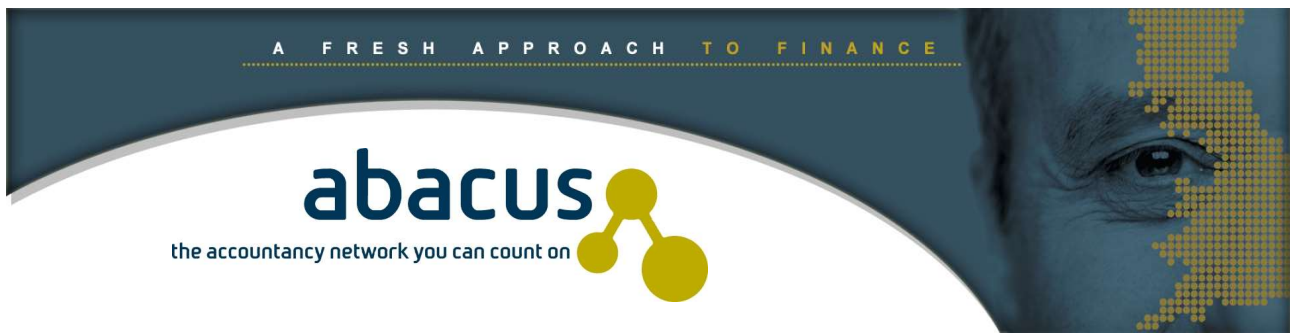
- Bereavement Payment – a one-off payment.  
Check your entitlement at <https://www.gov.uk/bereavement-payment>.
- Bereavement Allowance – monthly payments.  
Check your entitlement at <https://www.gov.uk/bereavement-allowance>.
- Widowed Parent's Allowance – if you are bringing up children.  
Check your entitlement at <https://www.gov.uk/widowed-parents-allowance>.

#### Entitlement in 2019-20

You will receive an initial payment and then up to 18 monthly payments. There are two rates.

Rate	First Payment	Monthly Payment
Higher Rate – if you receive Child Benefit or are entitled to it	£3500	£350
Lower Rate – if you are not entitled to Child Benefit	£2500	£100

**You must claim within 3 months of your husband, wife or civil partner's death to get the full amount. You can claim up to 21 months after their death, but your payments will be less.**



## Tax rates and allowances 2019-20

### Applying for Bereavement Support Payment

If you live in:

#### England, Scotland or Wales

Download form BSP1 at:

<https://www.gov.uk/government/publications/bereavement-support-payment-claim-form>

Then send the completed form to:

Bereavement Support Payment  
Mail Handling Site A  
Wolverhampton  
WV98 2BS

If you require any assistance, the helpline number is 0800 731 0469

#### Northern Ireland

There is a different process in Northern Ireland which is set out at:

<https://www.nidirect.gov.uk/articles/bereavement-support-payment>

#### Abroad

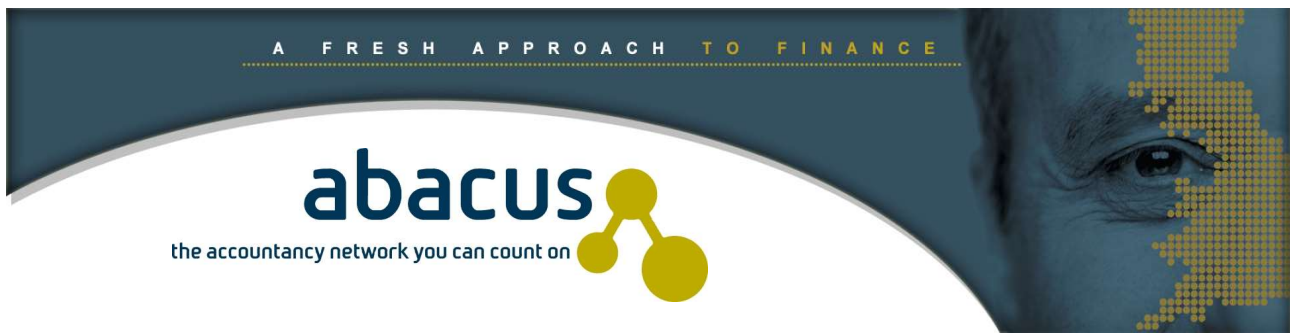
You can apply by phoning the International Pension Centre.

The Telephone number is +44 (0) 191 218 7608

Source of information

<https://www.gov.uk/bereavement-support-payment>

<https://www.gov.uk/government/publications/bereavement-support-payment-claim-form>



## Tax rates and allowances 2019-20

### Incorporation v Sole trader

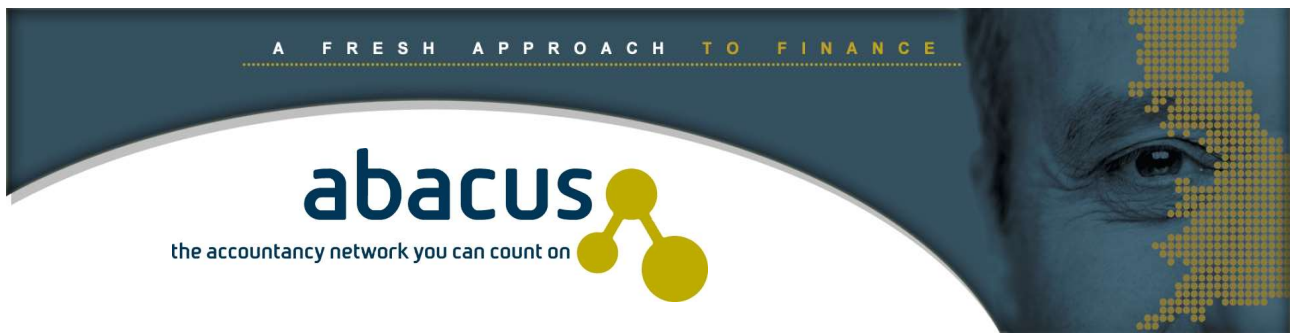
Whilst at first glance the potential savings for incorporation do not seem huge there are several advantages to incorporation that will have a tax saving impact on your income.

1. You can appoint either your husband or wife as an employee. (Would have to look at their other income to calculate if this would be an advantage)
2. You can issue shares to your husband, wife or children taking advantage of their personal allowance and lower tax rates. To avoid this causing any issues of the daily running of the business a simple shareholders agreement can be put in place and A and B shares issued so that you still have total control of the business.
3. You can have as an expense to the business any or all the following:
  - Keyman Insurance
  - Private Medical Insurance
  - Death in service
  - Shareholder protection
  - Income protection
  - Relative Life insurance.
4. You can make pension contributions from the business which will reduce your corporation tax liability.
5. If you have a pension you can loan funds to your business and any interest paid on the loan would be additional contributions to your pension.



Tax rates and allowances 2019-20

Beneficial Loans - See section under business tax



## Tax rates and allowances 2019-20

### Employee tax relief on business expenditure not repaid by Employer

You are entitled to claim any expenditure wholly incurred for business that in no way is used for private use that has not been reimbursed by the employer.

To be able to claim tax relief you must keep all receipts of expenditure incurred.

You must claim the relief within 4 years of the tax year end that you spent the money.

### How do you claim?

#### Claims of less than £2,500

1. If you already complete a self-assessment tax return you must claim the relief on the tax return
2. If you don't complete a self-assessment tax return you will need to complete form P87 and return it to the address on the form.
3. If you had a successful claim last tax year you may be able to make your claim by phone.

#### Claims more than £2,500

If your claim for expenses is greater than £2,500 then you must make your claim on a self-assessment tax return.

### Types of expenditure that relief can be claimed

#### Uniforms, Work Clothing and tools

You can claim tax relief on the cost of:

- Repairing or replacing small tools you need to do your job (for example, scissors or an electric drill)
- Cleaning, repairing or replacing specialist clothing (for example, a uniform or safety boots).

#### **You can't claim relief on the initial cost of buying small tools or clothing for work**

#### **Note**

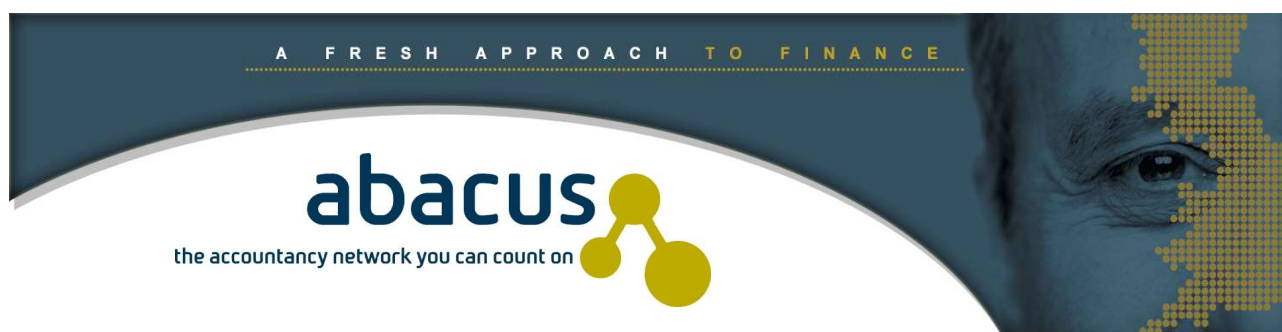
- If you need to buy other equipment to use in your job, you can claim capital allowances instead.

### What you can claim

You can either claim:

- For what you've spent – you'll need to keep receipts
- A flat rate deduction – amounts that HM Revenue and Customs (HMRC) has agreed that are typically spent each year by employees in different occupations (see list below)





## Tax rates and allowances 2019-20

Please note for general laundry expenses for uniforms and other protective clothing not covered by the agreements in the following table, from tax year **2008-09 onwards**, you will be able to claim £60 in tax relief.

You don't need to keep records of what you've paid if you claim a flat rate deduction.

Industry	Occupation	Deduction for 2008-09 onwards
Agriculture	All workers	£100
Airlines	Pilots and co-pilots: see EIM50050: <a href="http://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50050">www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50050</a>	See note 1
	Cabin Crew: see EIM50070: <a href="http://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50070">www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50070</a>	See note 2
Aluminium	a. Continual casting operators, process operators, de-dimplers, driers, drill punchers, dross unloaders, firemen, furnace operators and their helpers, leaders, mould-men, pourers, remelt department labourers and roll flatteners	£140
	b. Cable hands, case makers, labourers, mates, truck drivers and measurers and storekeepers	£80
	c. Apprentices	£60
	d. All other workers	£120
Armed forces	See EIM50125: <a href="http://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50125">www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50125</a>	See note 3
Banks and Building Societies	Uniformed doormen and messengers	£60
Brass and Copper	Braziers, coppersmiths, finishers, fitters, moulders, turners and all other workers	£120
Building	a. Joiners and carpenters	£140
	b. Cement works, roofing felt and asphalt labourers	£80
	c. Labourers and navvies	£60
	d. All other workers	£120
Building Materials	a. Stone masons	£120
	b. Tilemakers and labourers	£60
	c. All other workers	£80
Clothing	a. Lacemakers, hosiery bleachers, dyers, scourers and knitters, knitwear bleachers and dyers	£60
	b. All other workers	£60



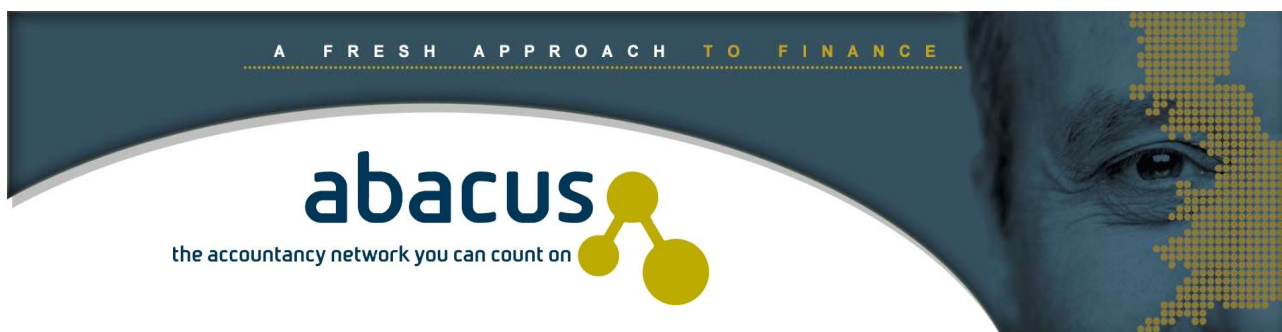
## Tax rates and allowances 2019-20

Industry	Occupation	Deduction for 2008-09 onwards
Constructional Engineering	a. Blacksmiths and their strikers, burners, caulkers, chippers, drillers, erectors, fitters, holders up, markers off, platers, riggers, riveters, rivet heaters, scaffolders, sheeters, template workers, turners and welders	£140
	b. Banksmen, labourers, shop-helpers, slewers and straighteners	£80
	c. Apprentices and storekeepers	£60
	d. All other workers	£100
Electrical and Electricity Supply	a. Those workers incurring laundry costs only	£60
	b. All other workers	£120
Trades ancillary to engineering	a. Pattern makers	£140
	b. Labourers, supervisory and unskilled workers	£80
	c. Apprentices and storekeepers	£60
	d. Motor mechanics in garage repair shop	£120
	e. All other workers	£120
Fire Service	Uniformed fire fighters and fire officers	£80
Food	All workers	£60
Forestry	All workers	£100
Glass	All workers	£80
Healthcare staff in the National Health Service, private hospitals and nursing homes  (All rates apply from 6 April 2014)	a. Ambulance staff on active service	£185
	b. Nurses, midwives, chiropodists, dental nurses, occupational, speech, physiotherapists and other therapists, healthcare assistants, phlebotomists and radiographers. For shoes and stockings/tights allowance, see EIM67200: <a href="http://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim67200">www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim67200</a>	£125  Also see note 4
	c. Plaster room orderlies, hospital porters, ward clerks, sterile supply workers, hospital domestics and hospital catering staff	£125
	d. Laboratory staff, pharmacists and pharmacy assistants	£80
	e. Uniformed ancillary staff: maintenance workers, grounds staff, drivers, parking attendants and security guards, receptionists and other uniformed staff	£80
Heating	a. Pipe fitters and plumbers.	£120
	b. Coverers, ladders, domestic glaziers, heating engineers and all their mates	£120
	c. All gas workers and all other workers	£100



## Tax rates and allowances 2019-20

Industry	Occupation	Deduction for 2008-09 onwards
Iron Mining	a. Fillers, miners and underground workers	£120
	b. All other workers	£100
Iron and Steel	a. Day labourers, general labourers, stockmen, timekeepers, warehouse staff and weighmen	£80
	b. Apprentices	£60
	c. All other workers	£140
Leather	a. Curriers (wet workers), fellmongering workers and tanning operatives (wet)	£80
	b. All other workers	£60
Particular Engineering	a. Pattern makers	£140
	b. Chainmakers; cleaners, galvanisers, tinnerns and wire drawers in the wire drawing industry and toolmakers in the lock making industry	£120
	c. Apprentices and storekeepers	£60
	d. All other workers	£80
Police Force	Police officers (ranks up to and including Chief Inspector).	£140
	Community support officers, and other police employees, see EIM68130: <a href="http://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim68130">www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim68130</a>	See note 5
Precious Metals	All workers	£100
Printing	a. Letterpress Section-electrical engineers (rotary presses), electrotypers, ink and roller makers, machine minders (rotary), maintenance engineers (rotary presses) and stereotypers	£140
	b. Bench hands (periodical and bookbinding section), compositors (letterpress section), readers (letterpress section) telecommunications and electronic section wire room operators, warehousemen (paper box making section)	£60
	c. All other workers	£100
Prisons	Uniformed prison officers	£80
Public Service: Docks and Inland Waterways	a. Dockers, dredger drivers and hopper steerers	£80
	b. All other workers	£60
Public Service: Public Transport	a. Garage hands including cleaners	£80
	b. Conductors and drivers	£60
Quarrying	All workers	£100
Railways	See the appropriate category for craftsmen (for example engineers, vehicles, etc.) All other workers	£100

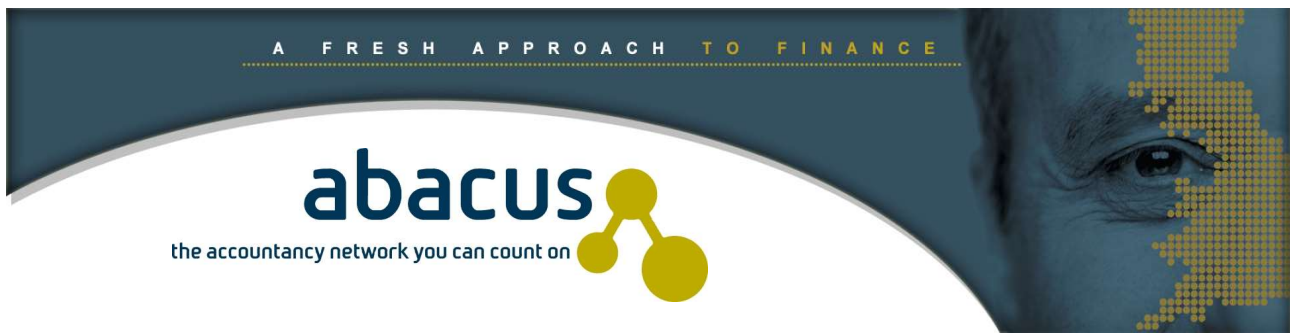


## Tax rates and allowances 2019-20

Industry	Occupation	Deduction for 2008-09 onwards
Seamen	a. Passenger liners	£165
	b. Cargo vessels, tankers, coasters and ferries	£140
Shipyards	a. Blacksmiths and their strikers, boilermakers, burners, carpenters, caulkers, drillers, furnacemen (platers) holders up, fitters, platers, plumbers, riveters, sheet iron workers, shipwrights, tubers and welders	£140
	b. Labourers	£80
	c. Apprentices and storekeepers	£60
	d. All other workers	£100
Textiles and Textile Printing	a. Carders, carding engineers, overlookers and technicians in spinning mills	£120
	b. All other workers	£80
Vehicles	a. Builders, railway vehicle repairers and railway wagon lifters	£140
	b. Railway vehicle painters, letterers, and builders' and repairers' assistants	£80
	c. All other workers	£60
Wood and Furniture	a. Carpenters, cabinetmakers, joiners, wood carvers and woodcutting machinists	£140
	b. Artificial limb makers (other than in wood), organ builders and packaging case makers	£120
	c. Coopers not providing their own tools, labourers, polishers and upholsterers	£60
	d. All other workers	£100

In the table:

- In the entry relating to aluminium, "firemen" means persons engaged to light and maintain furnaces;
- "Constructional engineering" means engineering undertaken on a construction site, including buildings, shipyards, bridges, roads and other similar operations; and
- "Particular engineering" means engineering undertaken on a commercial basis in a factory or workshop for the purposes of producing components such as wire, springs, nails and locks.



## Tax rates and allowances 2019-20

### Notes

1. Airline pilots: industry wide FRE for 2013-14 onwards: introduction.  
HMRC and the British Airline Pilots' Association (BALPA) have agreed an increase to the industry wide Flat Rate Expenses allowance (FRE) which applies to all uniformed commercial pilots and co-pilots (including helicopter pilots), and other uniformed flight deck crew, for 2013-14 onwards. The agreement updates the national agreement that was effective from 2006-07 onwards, which in turn replaced all locally agreed FREs for the employees concerned.

The main features of the agreement are:

- The FRE applies to all uniformed commercial pilots, co-pilots and other uniformed flight deck crew working in the UK
- It does not apply to cabin staff (stewards and stewardesses)
- The basic FRE is £1,022 and it applies from 2013-14. For details of what is included, see:
  - EIM50052 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50052>) and
  - EIM50059 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50059>)
- There is a further expenses' deduction (EXP) of £110 to cover the allowable cost of travel to certain regular, specified activities, see:
  - EIM50060 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50060>)

For a full summary of what can be allowed under the terms of this agreement, see:

- EIM50051 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim50051>)

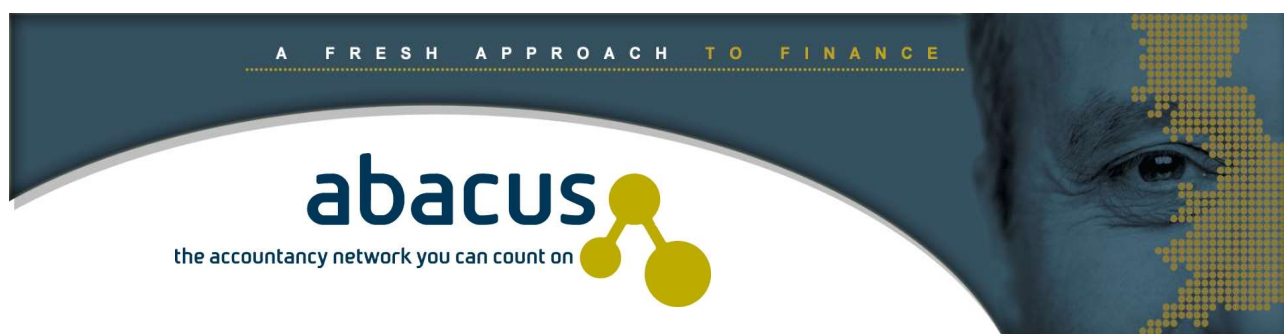
2. Airline cabin crew: Industry wide FRE from 2013-14 onwards: introduction and summary.  
HMRC and the Unite union have agreed an industry wide Flat Rate Expenses allowance (FRE) which applies to all uniformed cabin staff (stewards and stewardesses), for 2013-14 onwards. The agreement replaces all locally agreed FREs for the employees concerned.

The main features of the agreement are:

- The new FRE applies to all uniformed cabin staff (stewards and stewardesses).
- The FRE is £720, and it applies from 2013-14.
- The FRE of £720 includes the cost of cleaning and laundering items of uniform, but not the cost of the uniform itself. Most airlines provide uniforms for their employees. Where, exceptionally, the employer requires employees to wear a uniform but does not provide one, the employees are entitled to a deduction under Section 336 ITEPA 2003 for the cost of replacing (but not the initial purchase) of items of uniform.
- For what is regarded as a "uniform" for this purpose see:
  - EIM32475 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim32475>)

An employee who is required to provide their own uniform may obtain relief for the cost (on the replacement basis mentioned above) in addition to the £720 FRE.





## Tax rates and allowances 2019-20

3. Tax treatment of armed Forces: Flat Rate Expenses for laundering of uniforms.  
HMRC and the Ministry of Defence have agreed a Flat Rate Expense Allowance (FRE) to apply to Armed Forces Regulars or Reservists on mobilisation or Full Time Reserve Service engagements.

The FRE covers the costs incurred by service personnel on the laundering of uniforms which are not cleaned at public expense and has been agreed in the following amounts:

- Other Ranks in the Army, RAF and Royal Marines - £100
- Ratings in the Royal Navy - £80.

Service personnel do not need to make individual claims to HMRC for the FRE as:

- from 2014-15, onwards relief will be given under a net pay arrangement operated by MoD;
- relief for all in date years has been given to qualifying service personnel through adjustments to their 2013-14 PAYE codes.

4. Tax treatment of nurses: expenses deductions: shoes and stockings/tights allowance.

### **Section 336 and 367 ITEPA 2003**

Expenses deductions may be permitted to nurses of all grades including midwives, for expenditure incurred and defrayed by them on the repair and renewal of shoes and stockings/tights:

- shoes: where the wearing of a prescribed style is obligatory in the hospital or other workplace in which they may work allow £12 per year
- stockings/tights/socks: where the wearing of a prescribed style or colour is similarly obligatory, allow £6 per year.

References to a nurse should be taken for this purpose to include nurses and midwives of all grades and includes auxiliaries, students, dental nurses, nursing assistants and healthcare assistants or workers.

5. Tax treatment of members of the police service: flat rate expenses allowance.

For 2008-09 onwards, the flat rate expenses deduction (FRE) for police officers up to and including the rank of Chief Inspector is £140 per year. The allowance can be given irrespective of whether an officer's current duties require them to wear a uniform.

(For earlier years see:

- EIM32712 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim32712>)

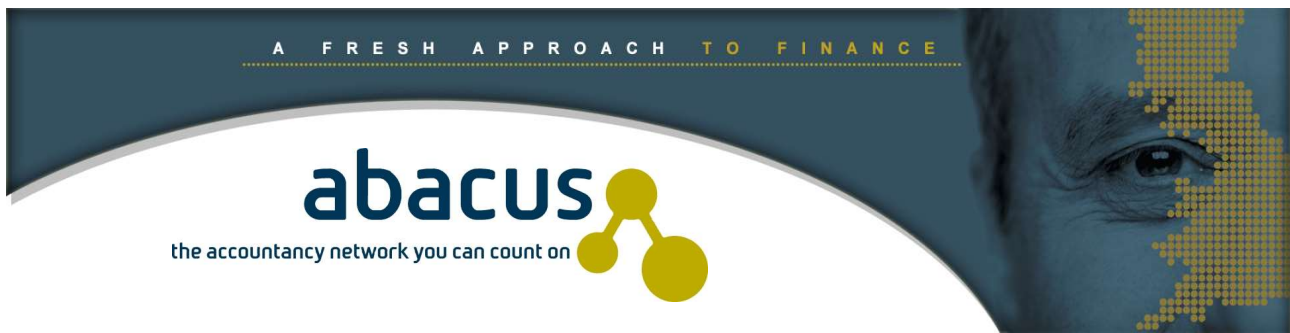
Police Community Support Officers wear a uniform which is identical, apart from its insignia, to that of a uniformed police officer. They may also be given the flat rate expenses deduction of £140 per year.

Other police service employees who are responsible for cleaning their own uniforms can be given the £60 deduction set out in:

- EIM32485 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim32485>)

About Special Constables, see:

- EIM68131 (<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim68131>)



## Tax rates and allowances 2019-20

### **Sections 328 and 329 ITEPA 2003**

Two of the basic rules relating to employees' expenses (including flat rate expenses) are that:

- expenses can only be set against the earnings from the employment to which they relate (Section 328 ITEPA 2003), and
- the deductible expenses cannot exceed the earnings from that employment (Section 329 ITEPA 2003).

Special Constables are volunteers, who usually receive no pay for their police duties. It follows that they have no income against which a FRE deduction can be given. In no circumstances should a Special Constable be given a police officer's FRE allowance in the PAYE code for their full-time employment.

If, exceptionally, a Special Constable receives a bounty, or some other form of remuneration for their police duties, the police authority should apply PAYE to the payment(s) in the normal way. A FRE allowance can then be given in the code for the Special Constable's police service employment.

### Business mileage, fuel and electricity costs

See separate section in this booklet.

### Travel and overnight expenses

If you must travel for work you can claim tax relief on the following expenses only if your company doesn't reimburse you for the costs incurred. If the company partially reimburses you the costs incurred you can claim tax relief on the difference between total costs incurred and sum reimbursed by the company.

- Public transport costs
- Hotel accommodation
- Food and drink
- Congestion charges and tolls
- Parking fees
- Business phone calls, fax and photocopying costs.

Please note: you cannot claim for travelling to where you work, unless it's a temporary place of work.

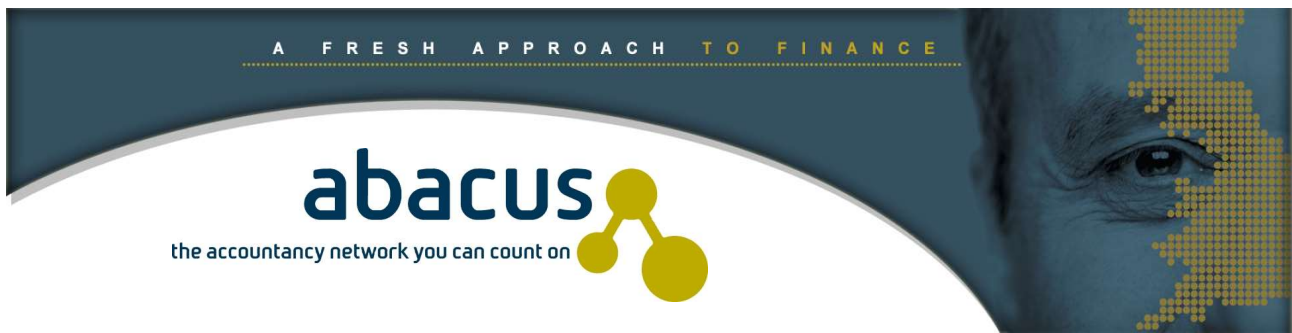
### Professional fees and subscriptions

You can reclaim tax on fees or subscriptions you pay to HMRC approved professional organisations – but only if you must have a membership to do your job or it is helpful for your work.

You can't claim tax back on fees or subscriptions you've paid to professional organisations not approved by HMRC, or for

- Life membership subscriptions
- Fees or subscriptions you haven't paid for yourself (for example, if your employer has paid for them direct or has reimbursed you for them)





## Tax rates and allowances 2019-20

The organisation you have paid your fees or subscriptions to should be able to inform you whether they are approved by HMRC or not.

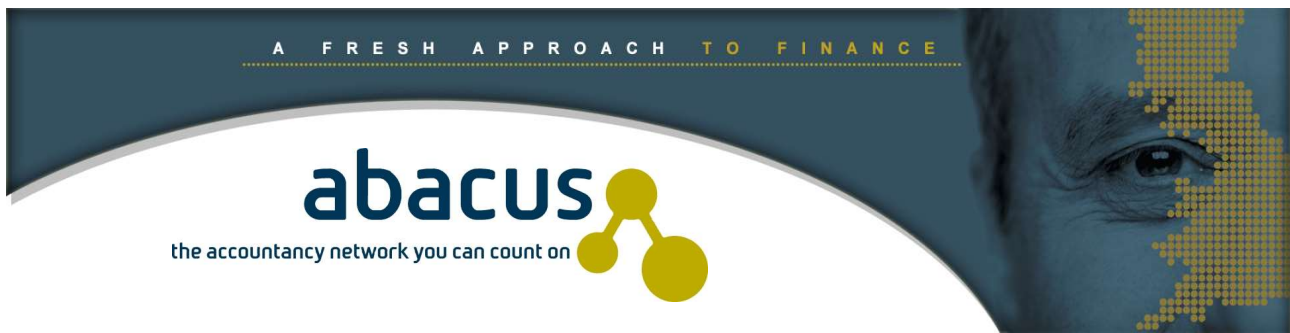
### Working at home

See separate section in this booklet.

#### Source of information

<https://www.gov.uk/guidance/claim-income-tax-relief-for-your-employment-expenses-p87>

<https://www.gov.uk/guidance/job-expenses-for-uniforms-work-clothing-and-tools>



## Tax rates and allowances 2019-20

### Use of Home as an Office

The Government guideline is that £4 per week or £18 per month can be claimed for use of home as an office without the need for receipts and evidence of costs.

£4	x	52 weeks	=	£208
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or

£18	x	12 months	=	£216
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If you wish to claim additional costs then you will be required to keep receipts.

### Flat rate/fixed rate claim

According to its manuals HMRC will not challenge reasonable claims when there is minor use of home. Prior to April 2013 it seemed reasonable to assume that rather than attempt a calculation HMRC would allow at least the same allowance that HMRC allows employees who are homeworking. This has amounted to £3 per week for home working for 2011/12, and £4 per week from 2012/13. This is non-statutory.

From April 2013 you may claim a fixed rate for use of home. The rate applicable is based on your calculation of the number of hours that you work at any home "wholly and exclusively" for the purposes of the trade.

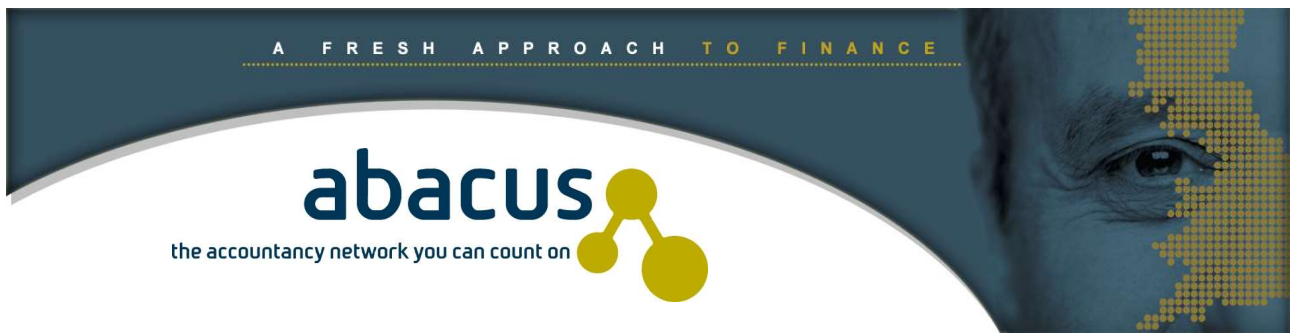
No. of hours worked per month	Amount per month
25 to 50	£10
51 to 100	£18
101 +	£26

### If you work at home voluntarily

If you've agreed with your employer to work at home voluntarily – under a "homeworking arrangement" – they may still contribute towards your expenses but don't have to.

If your employer contributes up to £4 per week (£18 per month) towards your expenses, you won't need to provide receipts.

If your employer contributes more than £4 per week you will need to be able to show what you've spent to get the tax relief.



## Tax rates and allowances 2019-20

You won't have to pay tax or National Insurance contributions on the amount you receive from your employer (if it is more than £4 per week you must have the receipts to show what has been spent).

### **Note**

- If you work at home voluntarily and your employer doesn't contribute to your expenses, you can't claim tax relief for what you've spent.

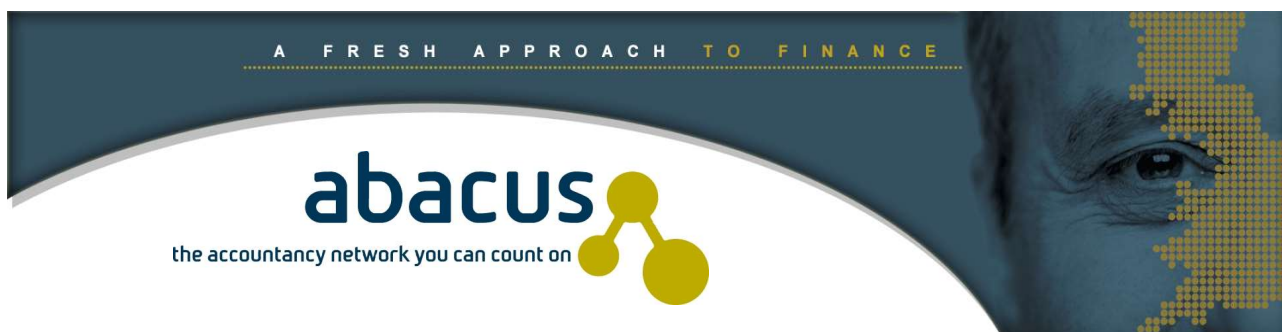
Source of information

<https://www.gov.uk/expenses-and-benefits-homeworking/whats-exempt>



Tax rates and allowances 2019-20

## INDIRECT TAXES



## Tax rates and allowances 2019-20

### VAT

#### VAT Registration & Deregistration Limits

	<b>From 01.04.19</b>	<b>01.04.1 to 31.03.19</b>
Registration	£85,000	£85,000
Deregistration	£83,000	£83,000

#### VAT Rate Changes

	<b>Current</b>	
	<b>Date From</b>	<b>%</b>
Zero Rate	01.04.1973	0.0%
Home Fuel	01.09.1997	5.0%
<b>Standard Rate</b>	04.01.2011	<b>20.0%</b>
Higher Rate	18.06.1979	abolished
Antiques Imported	01.07.1999	5.0%
Sanitary Products	01.01.2004	5.0%
Child Car Seats	12.05.2001	5.0%
Urban Regenerated	12.05.2001	5.0%
Residential Conversions & Renovations	01.06.2002	5.0%

Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/topic/business-tax/vat>



## Tax rates and allowances 2019-20

### Different goods & services - and their VAT rate

(Reduced, Zero rated and exempt goods and services)

Current Rate	From 01.04.14	VAT Notice
<b>Sport</b>		
Physical education and sports activities	Exempt	701/45
<b>Leisure</b>		
Betting and gaming - Including pool betting and games of chance	Exempt	701/29
Bingo - including remote games played on the internet, telephone, television or radio	Exempt	701/29
Lottery ticket sales	Exempt	701/29
Online lottery games	Exempt	701/29
Retailer commission on lottery ticket sales	Exempt	701/29
<b>Culture</b>		
Admission charges by public authorities or eligible cultural bodies to certain cultural events such as visits to museums, art exhibitions, zoos and performances	Exempt	701/47
<b>Antiques</b>		
Antiques, works of art or similar (as assets of historic houses) sold by private treaty to public collections	Exempt	701/12
Antiques, works of art or similar (as assets of historic houses) used to settle a tax or estate duty debt with HMRC	Exempt	701/12
<b>Charities</b>		
Admission charges by charities	Exempt	How VAT applies to charities
Advertising services for charities	0%	701/58
Certain goods sold at charitable fundraising events	0%	Charity Fundraising events and VAT
Charitable fundraising events	Exempt	Charity Fundraising events and VAT
Charity shops - selling donated goods	0%	Charitable donations and VAT
Construction and sale of new buildings for a relevant charitable purpose	0%	708
Energy saving materials permanently installed in residential or charity premises (but not including institutions such as prisons, hospitals etc.)	5%	Energy saving materials - supply only - are standard rated 708/6
Sponsored charitable events	Exempt	Charities and VAT



## Tax rates and allowances 2019-20

Current Rate	From 01.04.14	VAT Notice
Voluntary donations to charity	Outside the scope of VAT	Donations to Charities
<b>Welfare</b>		
Building services for disabled people	0%	Reliefs for disabled people 701/7
Burial or cremation of dead people, or burial at sea	Exempt	701/32
Mobility aids for the elderly	5%	Mobility aids for older people
Equipment for blind or partially sighted people	0%	Equipment for blind or partially sighted people
Equipment for disabled people	0%	Equipment for disabled people
Funeral plans written under contracts of insurance	Exempt	701/36
Smoking cessation products - nicotine patches and gum	5%	Budget note BN77
Welfare services provided by charities at significantly below cost	Outside the scope of VAT	701/1
Talking books and vision aids for blind people	0%	Aids for blind people
<b>Health</b>		
Care or medical treatment provided by a qualified institution like a hospital, hospice or nursing home	Exempt	701/31
Dispensing of prescriptions by a registered pharmacist	0%	701/57
Health services provided by registered doctors, dentists, opticians, pharmacists and other health professionals	Exempt	701/57
Incontinence products	0%	701/7
Maternity pads	5%	701/18
Sanitary protection products	5%	701/18
Low vision aids	0%	Equipment for blind or partially sighted people
<b>Education</b>		
Education, vocational training, research and other connected services provided by an eligible body like a school college or university	Exempt	701/30
<b>Power, Utilities, energy saving, heating</b>		
<b>Power</b>		
Electricity for domestic and residential use or for non-business use by a charity	5%	Fuel for business use is usually standard rated 701/19
Gas for domestic and residential use or for non-business use by a charity	5%	Fuel for business use is usually standard rated 701/19





## Tax rates and allowances 2019-20

Current Rate	From 01.04.14	VAT Notice
Heating oil for domestic and residential use or for non-business use by a charity	5%	Fuel for business use is usually standard rated 701/19
Solid fuel for domestic and residential use or for non-business use by a charity	5%	Fuel for business use is usually standard rated 701/19
<b>Utilities</b>		
Cesspools, septic tanks or similar (domestic) - emptying	0%	Emptying industrial cesspools septic tanks or similar is standard rated 701/16
Sewerage services supplied to domestic or industrial customers	0%	Sewer and drain cleaning unblocking or maintenance is standard rated 701/16
Water supplied to households	0%	Water supplied to industrial customers is standard rated 701/16
<b>Energy saving materials</b>		
Air Source heat pumps	5%	708/6
Boilers - wood fuelled	5%	708/6
Central heating and hot water controls	5%	708/6
Draught stripping	5%	708/6
Ground source heat pumps	5%	708/6
Insulation	5%	708/6
Micro combined heat and power units	5%	708/6
Solar panels	5%	708/6
Water and wind turbines	5%	708/6
<b>Heating equipment and connection of gas supply (grant funded by certain funders to people aged over 60 or who are in receipt of certain benefits)</b>		
The following heating appliances: <ul style="list-style-type: none"> <li>- closed solid fuel fire cassettes</li> <li>- electric dual immersion water heaters with factory insulated hot water tanks</li> <li>- electric storage heaters</li> <li>- gas fired boilers</li> <li>- gas room heaters with thermostatic controls</li> <li>- oil fired boilers</li> <li>- radiators</li> </ul>	5%	708/6



## Tax rates and allowances 2019-20

Current Rate	From 01.04.14	VAT Notice
The installation, repair and maintenance of a boiler, radiators, pipework and controls forming a central heating system (including micro combined heat and power systems)	5%	708/6
The installation repair and maintenance of renewable source heating systems. This means space or water heating systems which use energy from: <ul style="list-style-type: none"> <li>- renewable sources, including solar wind and hydroelectric power or</li> <li>- near renewable sources, including ground and air heat.</li> </ul>	5%	708/6
Connection or reconnection to the mains gas supply	5%	708/6
<b>Building and Construction, land and property</b>		
<b>Building and construction</b>		
Substantial reconstructions to protected buildings that are buildings used as a dwelling, for a relevant residential purpose or for a relevant charitable purpose	0%	708
The installation of a bathroom or lavatory, constructing ramps and widening doorways or passageways for disabled people in their own home	0%	Building services for disabled people
Construction and first freehold or long leasehold sale of new building for a relevant charitable purpose	0%	708
Construction and first freehold or long leasehold sale of new building for a relevant residential purpose	0%	708
Construction and first freehold or long leasehold sale of new domestic buildings	0%	708
Converting existing premises by increasing the number of dwellings within the building	5%	708
Renovating a dwelling that has been empty for at least two years	5%	708
First freehold or long leasehold sale of a commercial building converted into a dwelling or dwellings	0%	708
First freehold or long leasehold sale of a building converted for relevant residential purposes	0%	708
First freehold or long leasehold sale of a building converted for relevant charitable purposes	0%	708
<b>Land and property</b>		
Garages or parking spaces let together with buildings for permanent residential use (under shorthold tenancy agreements)	Exempt	Garages or facilities specially designed for parking are standard rated 742



## Tax rates and allowances 2019-20

Current Rate	From 01.04.14	VAT Notice
Parking - grant, or licence to occupy land on which incidental parking takes place	Exempt	742
Property, land and buildings - grant or licence to occupy land or buildings	Exempt	742
Sale or long lease of a new dwelling with garage or parking spaces	0%	708
<b>Transport, freight, travel and vehicles</b>		
<b>Transport</b>		
Aircraft repair and maintenance	0%	744C
<b>Freight</b>		
Domestic leg of freight transport to or from a place outside the EU	0%	Standard-rated freight transport includes domestic freight transport and freight transport between the UK and another EU member state 744B
Freight containers - sale lease or hire to a place outside the EC	0%	703/1
Freight containers - sale lease or hire to another EC member state	0%	703/1
International freight transport that takes place in the UK and its territorial waters	0%	744B
<b>Travel</b>		
Houseboat mooring	Exempt	742
Parking spaces or garages supplied with houseboat moorings	Exempt	742
Passenger transport in a vehicle boat or aircraft that carries not less than 10 passengers	0%	744A
Tolls for bridges tunnels and roads operated by public authority	Outside the scope of VAT	Privately operated tolls for bridges tunnels and roads are standard rated 700
<b>Vehicles</b>		
Aircraft repair and maintenance	0%	744C
Airships - sale or charter	0%	744C
Caravans (more than 7m long or more than 2.55m wide)	0% or 5%	Taxing Holiday Caravans



## Tax rates and allowances 2019-20

Current Rate	From 01.04.14	VAT Notice
Civil aeroplanes - sale or charter	0%	Gliders - sale or charter - are standard rated as are hot air balloons 744C
Helicopters - sale or charter	0%	744C
Houseboats - sale or let out on hire	0%	But holiday accommodation let in a moored houseboat is standard rated 701/20
Military aeroplanes - sale or charter	0%	744C
Ship repairs and maintenance	0%	744C
Shipbuilding - 15 tons or over gross tonnage	0%	744C
<b>Printing, postage, publications - books, magazines and newspapers</b>		
<b>Printing</b>		
Brochures	0%	701/10
Leaflets	0%	701/10
Pamphlets	0%	701/10
<b>Postage</b>		
Direct mail postal services meeting all the conditions of VAT Notice 700/24 3.2 and 3.3	Outside the scope of VAT	700/24
Postage, packing and delivery within the UK included in the sales contract but charged for separately e.g. mail order	The same rate as the goods being delivered or posted	Postage, packing and delivery within the UK charged as an optional extra is always standard rated 700/24
Public postal services provided by the Royal Mail under a Universal Service Obligation	Exempt	Standard Royal Mail first and second class services for example
Other postal services that are not subject to a Universal Service Obligation	Standard Rated	Supplies that are not subject to regulations
<b>Publications</b>		
Books	0%	701/10
Children's painting and picture books	0%	701/10
Maps and charts	0%	701/10
Magazines	0%	701/10
Newspapers	0%	701/10
Printed or copied music	0%	701/10



## Tax rates and allowances 2019-20

Current Rate	From 01.04.14	VAT Notice
Publications	0%	Some items are standard rated such as exercise books letterheads posters 701/10
<b>Clothing and footwear, protective and safety equipment</b>		
<b>Clothing and footwear</b>		
Baby wear	0%	714
Children's clothes and footwear	0%	714
<b>Protective and safety equipment</b>		
Carrycots with restraint straps	5%	701/23
Children's car seats, booster seats and booster cushions	5%	701/23
Children's safety seats with bare wheeled framework	5%	Prams and pushchairs are standard rated 701/23
Cycle helmets - CE marked	0%	701/23
Motorcycle helmets that meet safety standards	0%	701/23
Protective boots and helmets for industrial use	0%	701/23
<b>Financial services and investments, Insurance</b>		
<b>Financial services and investments</b>		
Financial services including the issue, transfer or receipt of, or dealing with money, securities for money or orders for the payment of money	Exempt	701/49
The granting of credit such as loans	Exempt	701/49
The management of credit by the person who has granted it	Exempt	701/49
The provision of the facility of instalment credit finance for example hire purchase	Exempt	701/49
The provision of qualifying financial intermediary services	Exempt	701/49
The issue, transfer or dealing with security, including shares and bonds	Exempt	701/49
The operation of a current deposit or savings account	Exempt	701/49
The management of a qualifying special investment fund	Exempt	701/49
Financial services supplied as a separate element but with other goods or services	Exempt	701/49



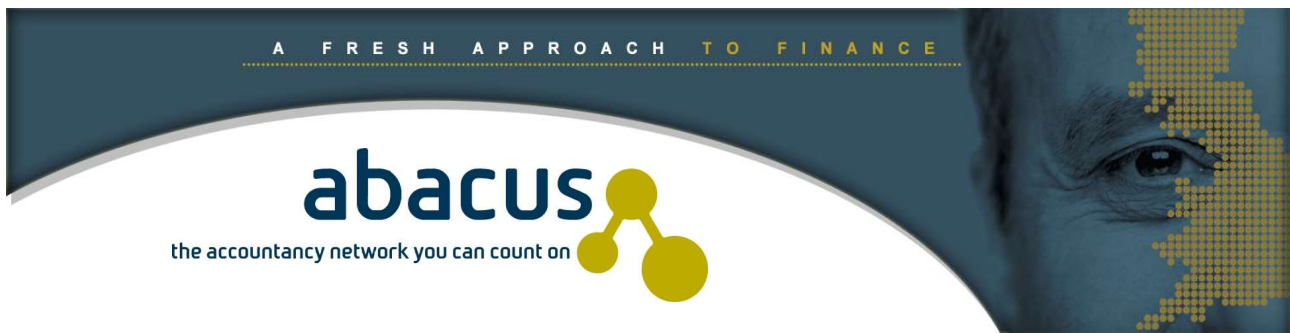
## Tax rates and allowances 2019-20

Current Rate	From 01.04.14	VAT Notice
Financial service supplied as part of a single supply with other goods or services	Exempt if financial service is the principal element of the supply	701/49
Gold investment coins	Exempt	701/21
Insurance		
Friendly Society subscriptions for the provision of Insurance	Exempt	701/36
Insurance and reinsurance transactions	Exempt	701/36
Insurance brokers and agents in an intermediary capacity	Exempt	701/36
Insurance supplied as a separate element but with other goods or services	Exempt	701/36
Insurance supplied as part of a single supply with other goods or services	Exempt if insurance is the principal element of the supply	701/36

Source of information

<https://www.gov.uk/guidance/rates-of-vat-on-different-goods-and-services>





## Tax rates and allowances 2019-20

### VAT Fuel Scale Charges

The VAT fuel scale charge is used to calculate the level of VAT that can be reclaimed when a company pays both business and private fuel.

As with Car and Fuel Benefit the CO<sub>2</sub> band is used to calculate the VAT fuel scale.

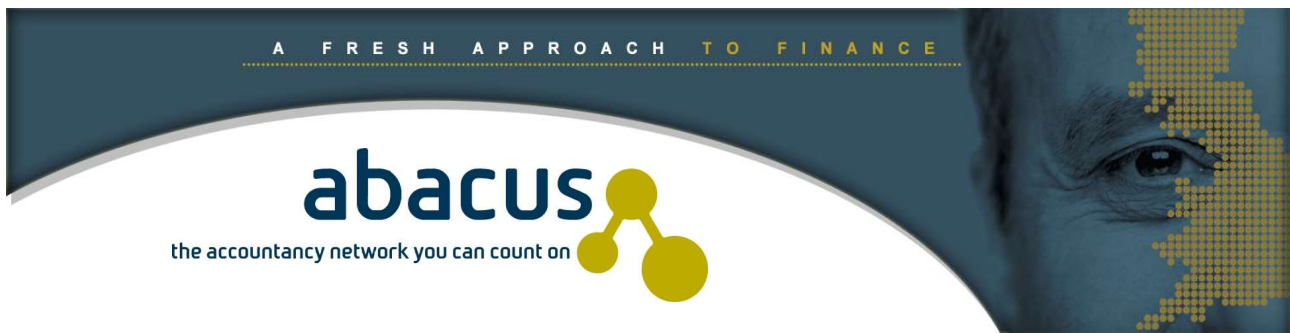
#### **Notes to the CO<sub>2</sub> emissions figures**

1. Where the emission figure is not a multiple of five, the figure is rounded down to the next multiple of five to determine the level of the charge.
2. For a bi-fuel vehicle which has two CO<sub>2</sub> emissions figures, the lower of the two figures should be used.
3. For cars which are too old to have a CO<sub>2</sub> emission figure, identify the CO<sub>2</sub> band based on engine size, as follows:
  - if its cylinder capacity is 1,400cc or less, use CO<sub>2</sub> band 140
  - if its cylinder capacity exceeds 1,400cc but does not exceed 2,000cc, use CO<sub>2</sub> band 175
  - if its cylinder capacity exceeds 2,000cc, use CO<sub>2</sub> band 225 or above.

#### **Notes applicable to the following Quarterly, Annual and Monthly tables**

1. For a car of a description in the first column of the valuation table, the value on the flat-rate basis of all supplies of road fuel made to any one individual in respect of that car for a prescribed accounting period is the amount specified under whichever of the second, third or fourth columns corresponds with the length of the prescribed accounting period.
2. Where a CO<sub>2</sub> emissions figure is specified in relation to a car in a UK approval certificate or in a certificate of conformity issued by a manufacturer in another member state corresponding to a UK approval certificate (corresponding certificate of conformity), if:
  - only one figure is specified in the certificate, that figure is the car's CO<sub>2</sub> emissions figure for those purposes
  - more than one figure is specified in the certificate, the figure specified as the CO<sub>2</sub> (combined) emissions figure is the car's CO<sub>2</sub> emissions figure for those purposes
  - separate CO<sub>2</sub> emissions figures are specified for different fuels, the lowest figure specified, or, in a case within the sub-paragraph above, the lowest CO<sub>2</sub> (combined) emissions figure specified is the car's CO<sub>2</sub> emissions figure for those purposes.
3. For paragraph 2, if the car's CO<sub>2</sub> emissions figure is not a multiple of 5 it is rounded down to the nearest multiple of 5 for those purposes.
4. Where no UK approval certificate or corresponding certificate of conformity is issued in relation to a car, or where a certificate is issued but no emissions figure is specified in it, the car's CO<sub>2</sub> emissions figure for the purposes of the valuation table is:
  - 140 if the cylinder capacity is 1,400cc or less
  - 175 if the cylinder capacity is 1,401 to 2,000cc
  - 225 or more if the cylinder capacity is 2,001cc or more.
5. For paragraph 4, the car's cylinder capacity is the capacity of its engine as calculated for the purposes of the Vehicle Excise and Registration Act 1994.





## Tax rates and allowances 2019-20

6. The flat-rate value of the supplies is determined as if the supplies made to the individual during those parts of the period were in respect of only one car in any case where:
  - in a prescribed accounting period, there are supplies of fuel for private use to an individual in respect of one car for a part of the period and in respect of another car for another part of the period, and
  - at the end of that period one of those cars neither belongs to, nor is allocated to, the individual.
7. (1) Where paragraph 6 applies, the value of the supplies is to be determined as follows:
  - if each of the 2 or more cars falls within the same description of car specified in the valuation table, the value specified in the valuation table for that description of car applies for the whole of the prescribed accounting period
  - if one of those cars falls within a description of car specified in that table which is different from the others, the value of the supplies is the aggregate of the relevant fractions of the consideration appropriate for each description of car in the valuation table.

(2) The 'relevant fraction' in relation to any car is that which the part of the prescribed accounting period in which fuel was supplied for private use in respect of the car bears to the whole of that period.
8. 'CO<sub>2</sub> emissions figure' means a CO<sub>2</sub> emissions figure expressed in grams per kilometre driven.
9. 'UK approval certificate' means a certificate issued under either:
  - Section 58(1) or (4) of the Road Traffic Act 1988
  - Article 31A (4) or (5) of the Road Traffic (Northern Ireland) Order 1981.

### Source of information

<https://www.gov.uk/government/publications/vat-road-fuel-scale-charges-table/vat-updated-valuation-table-road-fuel-scale-charges-from-1-may-2018-to-30-april-2019>

<https://www.gov.uk/fuel-scale-charge>



## Tax rates and allowances 2019-20

## Quarterly basis (3-month period)

CO <sub>2</sub> Band gm/km	01.05.2019 to 30.04.2020			01.05.2018 to 30.04.2019		
	These are the charges which apply from the start of the first prescribed accounting period beginning on or after 1 May 2019 and are valid until 30 April 2020			These are the charges which apply from the start of the first prescribed accounting period beginning on or after 1 May 2018 and are valid until 30 April 2019		
	Gross	VAT (20%)	Net	Gross	VAT (20%)	Net
120 or less	£147.00	£24.50	£122.50	£140.00	£23.33	£116.67
125	£222.00	£37.00	£185.00	£210.00	£35.00	£175.00
130	£236.00	£39.33	£196.67	£224.00	£37.33	£186.67
135	£250.00	£41.67	£208.33	£238.00	£39.67	£198.33
140	£265.00	£44.17	£220.83	£252.00	£42.00	£210.00
145	£280.00	£46.67	£233.33	£266.00	£44.33	£221.67
150	£296.00	£49.33	£246.67	£280.00	£46.67	£233.33
155	£310.00	£51.67	£258.33	£295.00	£49.17	£245.83
160	£325.00	£54.17	£270.83	£309.00	£51.50	£257.50
165	£340.00	£56.67	£283.33	£323.00	£53.83	£269.17
170	£354.00	£59.00	£295.00	£336.00	£56.00	£280.00
175	£369.00	£61.50	£307.50	£351.00	£58.50	£292.50
180	£384.00	£64.00	£320.00	£365.00	£60.83	£304.17
185	£399.00	£66.50	£332.50	£379.00	£63.17	£315.83
190	£414.00	£69.00	£345.00	£393.00	£65.50	£327.50
195	£429.00	£71.50	£357.50	£407.00	£67.83	£339.17
200	£444.00	£74.00	£370.00	£421.00	£70.17	£350.83
205	£458.00	£76.33	£381.67	£436.00	£72.67	£363.33
210	£473.00	£78.83	£394.17	£449.00	£74.83	£374.17
215	£487.00	£81.17	£405.83	£463.00	£77.17	£385.83
220	£502.00	£83.67	£418.33	£477.00	£79.50	£397.50
225 or more	£517.00	£86.17	£430.83	£491.00	£81.83	£409.17



## Tax rates and allowances 2019-20

### Annual basis (12-month period)

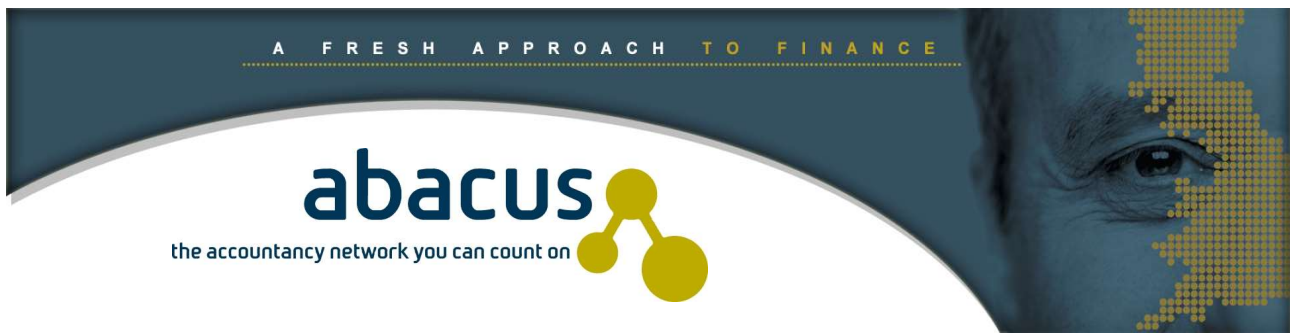
CO <sub>2</sub> Band gm/km	01.05.2019 to 30.04.2020			01.05.2018 to 30.04.2019		
	These are the charges which apply from the start of the first prescribed accounting period beginning on or after 1 May 2019 and are valid until 30 April 2020			These are the charges which apply from the start of the first prescribed accounting period beginning on or after 1 May 2018 and are valid until 30 April 2019		
	Gross	VAT (20%)	Net	Gross	VAT (20%)	Net
120 or less	£592.00	£98.67	£493.33	£562.00	£93.67	£468.33
125	£886.00	£147.67	£738.33	£842.00	£140.33	£701.67
130	£947.00	£157.83	£789.17	£900.00	£150.00	£750.00
135	£1,004.00	£167.33	£836.67	£954.00	£159.00	£795.00
140	£1,066.00	£177.67	£888.33	£1,013.00	£168.83	£844.17
145	£1,123.00	£187.17	£935.83	£1,067.00	£177.83	£889.17
150	£1,184.00	£197.33	£986.67	£1,125.00	£187.50	£937.50
155	£1,241.00	£206.83	£1,034.17	£1,179.00	£196.50	£982.50
160	£1,303.00	£217.17	£1,085.83	£1,238.00	£206.33	£1,031.67
165	£1,360.00	£226.67	£1,133.33	£1,292.00	£215.33	£1,076.67
170	£1,421.00	£236.83	£1,184.17	£1,350.00	£225.00	£1,125.00
175	£1,478.00	£246.33	£1,231.67	£1,404.00	£234.00	£1,170.00
180	£1,540.00	£256.67	£1,283.33	£1,463.00	£243.83	£1,219.17
185	£1,597.00	£266.17	£1,330.83	£1,517.00	£252.83	£1,264.17
190	£1,658.00	£276.33	£1,381.67	£1,575.00	£262.50	£1,312.50
195	£1,715.00	£285.83	£1,429.17	£1,630.00	£271.67	£1,358.33
200	£1,777.00	£296.17	£1,480.83	£1,688.00	£281.33	£1,406.67
205	£1,834.00	£305.67	£1,528.33	£1,742.00	£290.33	£1,451.67
210	£1,895.00	£315.83	£1,579.17	£1,801.00	£300.17	£1,500.83
215	£1,952.00	£325.33	£1,626.67	£1,855.00	£309.17	£1,545.83
220	£2,014.00	£335.67	£1,678.33	£1,913.00	£318.83	£1,594.17
225 or more	£2,071.00	£345.17	£1,725.83	£1,967.00	£327.83	£1,639.17



## Tax rates and allowances 2019-20

## Monthly basis (1-month period)

CO <sub>2</sub> Band gm/km	01.05.2019 to 30.04.2020			01.05.2018 to 30.04.2019		
	These are the charges which apply from the start of the first prescribed accounting period beginning on or after 1 May 2019 and are valid until 30 April 2020			These are the charges which apply from the start of the first prescribed accounting period beginning on or after 1 May 2018 and are valid until 30 April 2019		
	Gross	VAT (20%)	Net	Gross	VAT (20%)	Net
120 or less	£49.00	£8.17	£40.83	£46.00	£7.67	£38.33
125	£73.00	£12.17	£60.83	£70.00	£11.67	£58.33
130	£78.00	£13.00	£65.00	£74.00	£12.33	£61.67
135	£83.00	£13.83	£69.17	£79.00	£13.17	£65.83
140	£87.00	£14.50	£72.50	£84.00	£14.00	£70.00
145	£93.00	£15.50	£77.50	£88.00	£14.67	£73.33
150	£98.00	£16.33	£81.67	£93.00	£15.50	£77.50
155	£103.00	£17.17	£85.83	£98.00	£16.33	£81.67
160	£107.00	£17.83	£89.17	£102.00	£17.00	£85.00
165	£113.00	£18.83	£94.17	£107.00	£17.83	£89.17
170	£117.00	£19.50	£97.50	£111.00	£18.50	£92.50
175	£122.00	£20.33	£101.67	£116.00	£19.33	£96.67
180	£128.00	£21.33	£106.67	£121.00	£20.17	£100.83
185	£132.00	£22.00	£110.00	£125.00	£20.83	£104.17
190	£137.00	£22.83	£114.17	£130.00	£21.67	£108.33
195	£143.00	£23.83	£119.17	£135.00	£22.50	£112.50
200	£147.00	£24.50	£122.50	£140.00	£23.33	£116.67
205	£152.00	£25.33	£126.67	£145.00	£24.17	£120.83
210	£157.00	£26.17	£130.83	£149.00	£24.83	£124.17
215	£162.00	£27.00	£135.00	£154.00	£25.67	£128.33
220	£167.00	£27.83	£139.17	£159.00	£26.50	£132.50
225 or more	£172.00	£28.67	£143.33	£163.00	£27.17	£135.83



## Tax rates and allowances 2019-20

### VAT - Alternative Schemes

#### VAT Annual Accounting

##### Eligibility

1. When applying to join the scheme turnover must be less than £1,350,000.
2. Once on the scheme Turnover can rise to £1,600,000 before a business will have to transfer back to the standard accruals method.
3. All new businesses can now join the annual accounting scheme immediately.
4. Existing businesses must ensure that all payments to HMRC are up-to-date.

##### Benefits

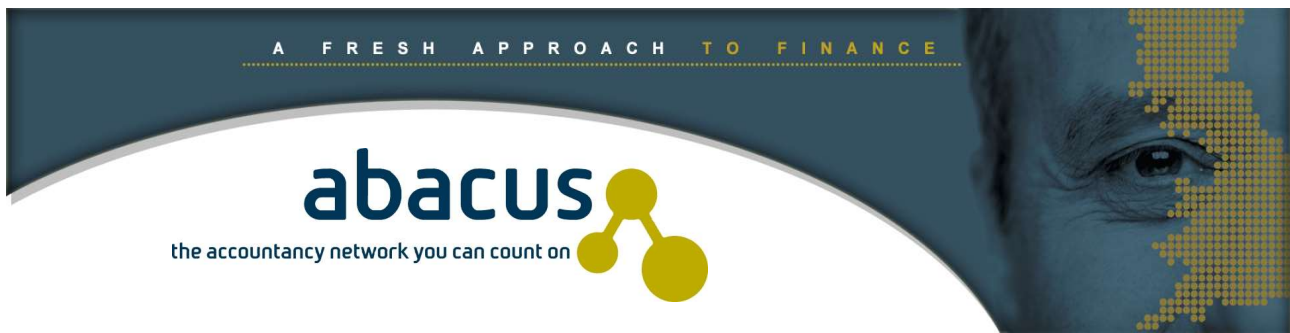
1. Business only has to complete one annual VAT return.
2. The business has 2 months to complete the return from the end of the 12 month period when any balance payment must also be made.
3. The business has the option to pay either 9 monthly direct debits or 3 quarterly direct debits and a balancing payment.

An example payment profile for a company commencing using Annual Accounting Scheme from 1st January 2019:

Month From Start of Scheme	Month	Monthly Payments	Quarterly Payments
1	Jan-19		
2	Feb-19		
3	Mar-19		
4	Apr-19	1st Pay	
5	May-19	2nd Pay	
6	Jun-19	3rd Pay	1st Pay
7	Jul-19	4th Pay	
8	Aug-19	5th Pay	
9	Sep-19	6th Pay	2nd Pay
10	Oct-19	7th Pay	
11	Nov-19	8th Pay	
12	Dec-19	9th Pay	3rd Pay
13	Jan-20		
14	Feb-20	Bal Pay	Bal Pay

For further information on the annual accounting basis read:

- VAT Notice 732 (<https://www.gov.uk/government/publications/vat-notice-732-annual-accounting>)



## Tax rates and allowances 2019-20

### VAT Cash Accounting

#### Eligibility

1. When applying to join the scheme, turnover must be less than £1,350,000.
2. Once on the scheme there is a tolerance level up to a turnover of £1,600,000.
3. All new businesses can now join the cash accounting scheme immediately.
4. Existing businesses must ensure that all payments to HMRC are up-to-date.
5. When a business transfers back to the accruals basis they have 6 months to bring their payments up-to-date.
6. You can only transfer to a cash accounting scheme at the start of a tax period.

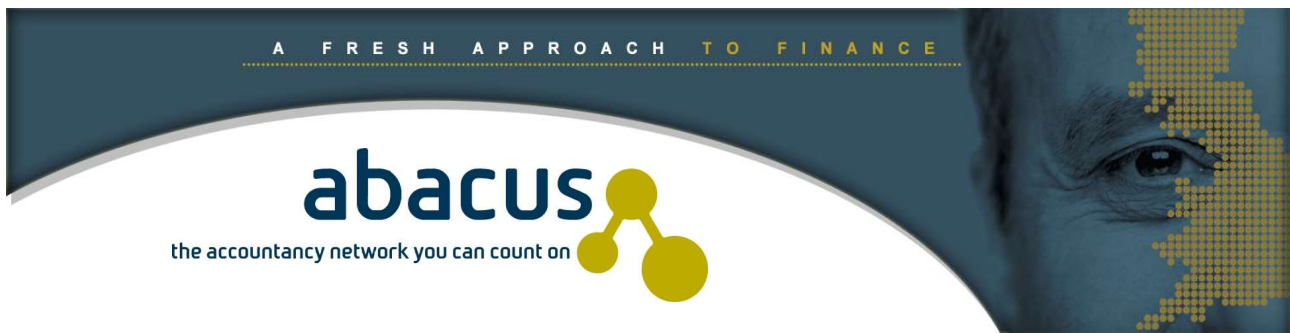
#### Benefits

1. Significant cash benefit to the business as you will only pay VAT to the revenue on sales you have been paid for.

For further information on the annual accounting basis read:

- VAT Notice 731 (<https://www.gov.uk/government/publications/vat-notice-731-cash-accounting>)





## Tax rates and allowances 2019-20

### VAT Flat Rate Scheme

#### Eligibility

For a business to qualify for the Flat Rate Scheme it must meet both following criteria:

1. Taxable sales must be no more than £150,000 per year.
2. Total income in the year must not exceed £230,000.

#### Benefits

1. Using the flat rate scheme is simple and easy to use. Each business type has a percentage rate applied to it for example the percentage for accountancy and bookkeeping business is 14.5%. You then multiply that percentage by your quarterly gross sales including VAT and that is how much VAT you pay to HMRC.

Example. You invoice a client £1,000.00 plus VAT of £200.00, a total gross invoice of £1,200.00. The flat rate for the business is 14.5%. Your payment will be  $£1,200.00 \times 14.5\% = £174.00$ .

2. You can also claim the VAT on capital assets over £2,000.
3. The VAT flat rate you use depends on your business type and costs. **You get a 1% discount if you're in your first year as VAT registered business.**

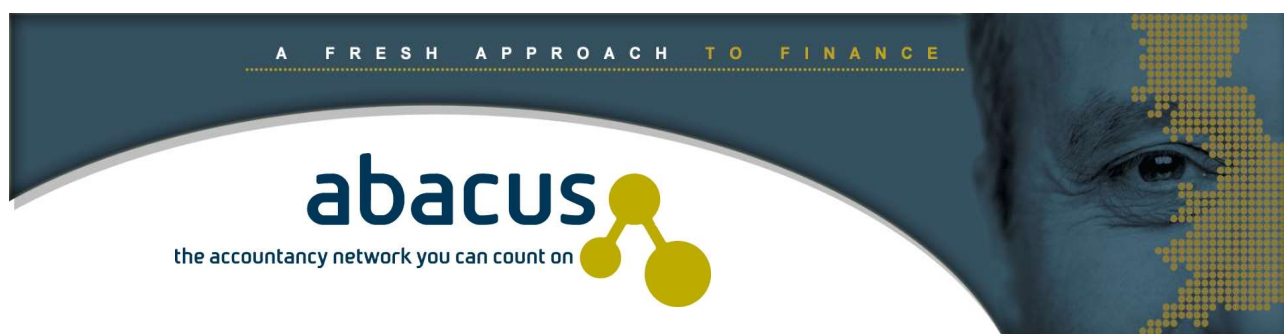
#### New rules from 1st April 2017

1. You will be classed as a "limited cost business" if your goods cost less than either:
  - 2% of your turnover
  - £1,000 a year (even if it's more than 2% of your turnover).
2. This means you will pay a higher rate of 16.5%.
3. If you aren't a limited cost business, continue to use your business type to work out your flat rate.
4. When working out the amount spent on goods, it cannot include purchases of:
  - Capital goods (such as new equipment used in the business)
  - Food and drink (such as lunches for staff)
  - Vehicles or parts for vehicles (unless running a vehicle hiring business).

For further information on the flat rate scheme read:

- VAT Notice 733 (<https://www.gov.uk/government/publications/vat-notice-733-flat-rate-scheme-for-small-businesses>)





## Tax rates and allowances 2019-20

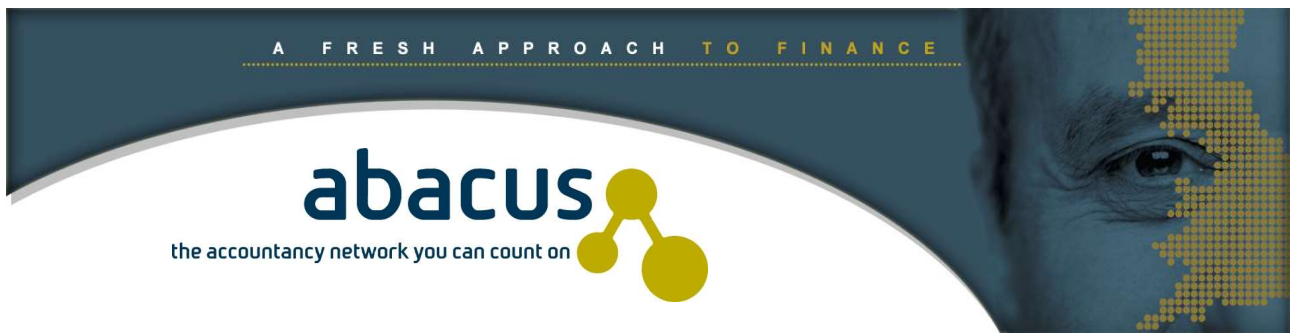
### VAT Flat Rate Scheme - flat rates

Type of business	Flat Rate %	1 <sup>st</sup> year VAT registered %
Accountancy or bookkeeping	14.5%	13.5%
Advertising	11.0%	10.0%
Agricultural services	11.0%	10.0%
<b>Any other activity not listed elsewhere</b>	12.0%	11.0%
Architect, civil and structural engineer or surveyor	14.5%	13.5%
Boarding or care of animals	12.0%	11.0%
<b>Business services not listed elsewhere</b>	12.0%	11.0%
Catering services including restaurants and takeaways	12.5%	11.5%
Computer and IT consultancy or data processing	14.5%	13.5%
Computer repair services	10.5%	9.5%
Entertainment or journalism	12.5%	11.5%
Estate agency or property management services	12.0%	11.0%
<b>Farming or agriculture not listed elsewhere</b>	6.5%	5.5%
Film, radio, television or video production	13.0%	12.0%
Financial services	13.5%	12.5%
Forestry or fishing	10.5%	9.5%
General building or construction services	9.5%	8.5%
Hairdressing or other beauty treatment services	13.0%	12.0%
Hiring or renting goods	9.5%	8.5%
Hotel or accommodation	10.5%	9.5%
Investigation or security	12.0%	11.0%
Labour-only building or construction services	14.5%	13.5%
Laundry or dry-cleaning services	12.0%	11.0%
Lawyer or legal services	14.5%	13.5%
Library, archive, museum or other cultural activity	9.5%	8.5%
Management consultancy	14.0%	13.0%
Manufacturing fabricated metal products	10.5%	9.5%
Manufacturing food	9.0%	8.0%
<b>Manufacturing not listed elsewhere</b>	9.5%	8.5%
Manufacturing yarn, textiles or clothing	9.0%	8.0%
Membership organisation	8.0%	7.0%



## Tax rates and allowances 2019-20

Type of business	Flat Rate %	1 <sup>st</sup> year VAT registered %
Mining or quarrying	10.0%	9.0%
Packaging	9.0%	8.0%
Photography	11.0%	10.0%
Post offices	5.0%	4.0%
Printing	8.5%	7.5%
Publishing	11.0%	10.0%
Pubs	6.5%	5.5%
<b>Real estate activity not listed elsewhere</b>	14.0%	13.0%
Repairing personal or household goods	10.0%	9.0%
Repairing vehicles	8.5%	7.5%
Retailing food, confectionery, tobacco, newspapers or children's clothing	4.0%	3.0%
Retailing pharmaceuticals, medical goods, cosmetics or toiletries	8.0%	7.0%
<b>Retailing not listed elsewhere</b>	7.5%	6.5%
Retailing vehicles or fuel	6.5%	5.5%
Secretarial services	13.0%	12.0%
Social work	11.0%	10.0%
Sport or recreation	8.5%	7.5%
Transport or storage, including couriers, freight, removals and taxis	10.0%	9.0%
Travel agency	10.5%	9.5%
Veterinary medicine	11.0%	10.0%
Wholesaling agricultural products	8.0%	7.0%
Wholesaling food	7.5%	6.5%
<b>Wholesaling not listed elsewhere</b>	8.5%	7.5%

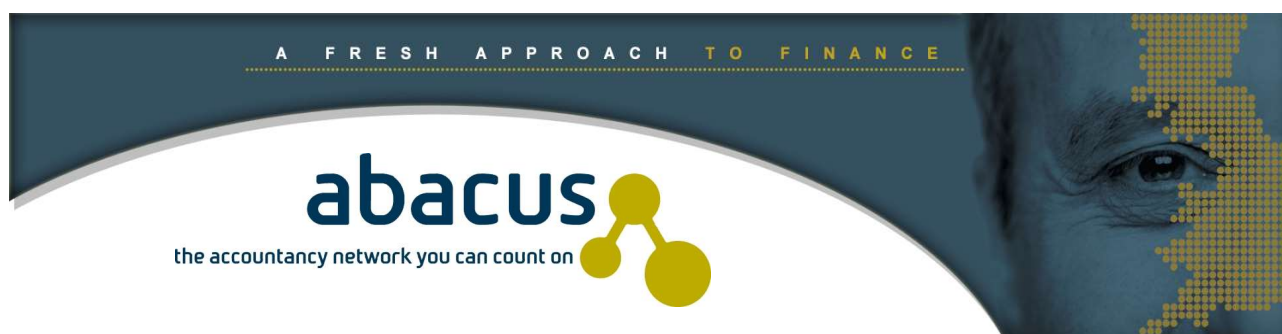


## Tax rates and allowances 2019-20

### VAT - Other Schemes

For information on other alternative VAT schemes read the following VAT Notices:

- Retail Scheme VAT Notice 727  
<https://www.gov.uk/government/publications/vat-notice-727-retail-schemes>
- Margin Scheme VAT Notice 718  
<https://www.gov.uk/government/publications/vat-notice-718-the-vat-margin-scheme-and-global-accounting>
- Capital Goods Scheme VAT Notice 706/2  
<https://www.gov.uk/government/publications/vat-notice-7062-capital-goods-scheme>
- Tour Operators Margin Scheme VAT Notice 709/5  
<https://www.gov.uk/government/publications/vat-notice-7095-tour-operators-margin-scheme>



## Tax rates and allowances 2019-20

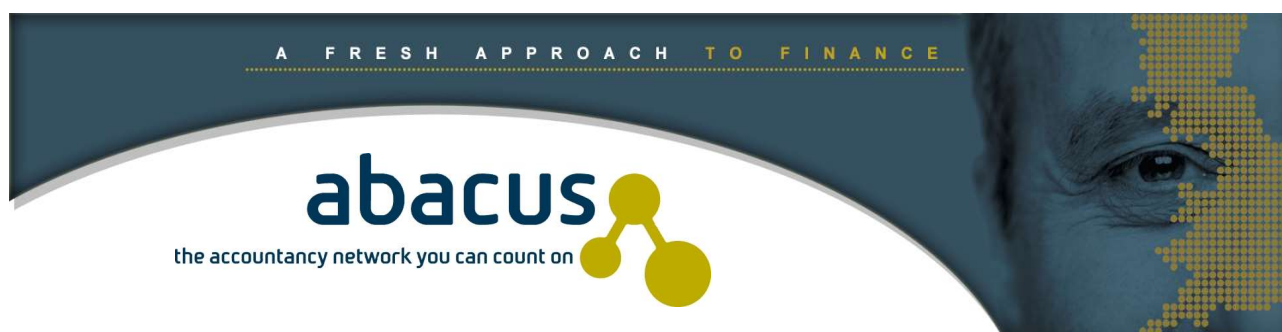
### National Insurance Contributions

#### Notes

1. The Employment Allowance, which came into effect from 6<sup>th</sup> April 2014, gives eligible employers a reduction of up to £3,000 (2018-19 also £3,000) on their employer Class 1 NICs liability each year, where they have employees or directors who earn enough to give rise to employer Class 1 NICs on their earnings.
2. If you earn between £118 (LEL) and £166 (PT) a week, your contributions are treated as having been paid to protect your national insurance record.
3. If you're employed, you stop paying Class 1 National Insurance when you reach the state pension age.
4. If you're self-employed you stop paying:
  - a. Class 2 National Insurance when you reach state pension age (or up to 4 months after this to pay off any contributions you owe)
  - b. Class 4 National Insurance from 6<sup>th</sup> April (start of tax year) after you reach state pension age.
5. From 6<sup>th</sup> April 2015, every employer with employees under the age of 21 will no longer be required to pay Class 1 Secondary National Insurance Contributions (2019-20 and 2018-19 both 13.8%) on earnings up to the Upper Earning Limit (2019-20 £50,000, 2018-19 £46,350), for those employees. This ceases to apply in the pay day after the employee reaches the age of 21.
6. For apprentices under the age of 25, the Apprentice Upper Secondary Threshold is also £962 per week. This means that employers will not be required to pay Employer Class 1 NICs in respect of the wages they pay to apprentice employees under the age of 25 up to £962 per week.
7. Employers are liable to Class 1A NICs at 13.8% on most Benefits-in-Kind subject to income tax. Scale Rate Allowances covered by an approval notice or Benefits-in-Kind included in PAYE are not subject to Class 1A NICs. Certain other benefits are specifically exempt from both Income Tax and Class 1A NICs.
8. Class 1B NICs are employer-only contributions, similar to Class 1A, payable by employer on the value of the tax and on certain benefits paid via PAYE Settlement Agreements. The rate is tied to the Class 1 secondary rate (13.8%) and contributions are payable by 19 October following the end of the tax year, along with the tax under the PAYE Settlement Agreement.
9. Apprenticeship Levy. Since 6 April 2017, employers are required to pay the Apprenticeship Levy. This levy is set at the rate of 0.5% of an employer's annual Pay Bill and will be collected through the PAYE system.

The Pay Bill is the total amount of earnings liable to Class 1 NIC including earnings below the Secondary Threshold (£8,632 for 2019-20). Similarly, where the Age-Related Secondary Percentage of NIC is 0%, e.g. for employees under the age of 21, such earnings are included in calculating the Pay Bill.

Employers receive an Annual Allowance of £15,000 to offset against payment of the levy, and, therefore, the levy would be payable only by employers who have Pay Bills in excess of £3 million per year. Where two or more companies are connected, only one company can claim the allowance.



## Tax rates and allowances 2019-20

### Class 1 (earnings related)

	2019-20	2018-19
Lower earnings limit (LEL) per week	£118	£116
Upper earnings limit (UEL) per week - employees only	£962	£892
Upper secondary threshold for under 21's only	£962	£892
Apprentice upper secondary threshold (AUST) for under 25's only	£962	£892

### Earnings threshold (per week)

	2019-20	2018-19
Primary Threshold (PT)	£166	£162
Secondary Threshold (ST)	£166	£162

### Employee rate

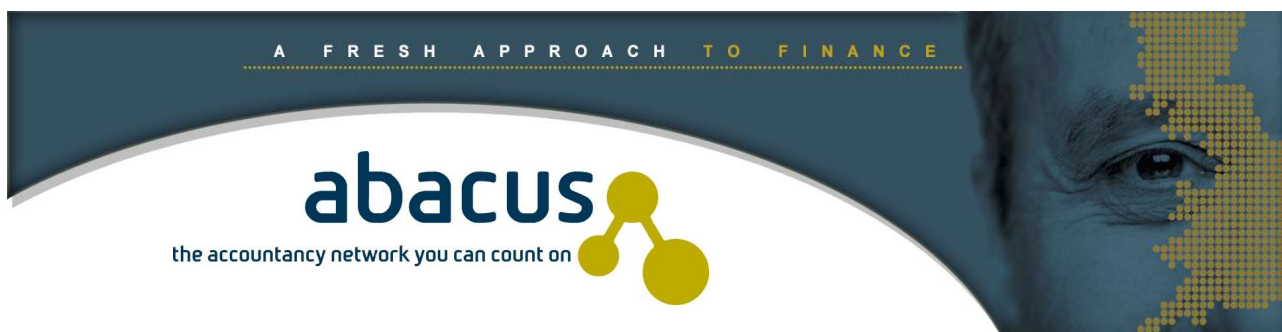
	2019-20	2018-19
Below Lower Earnings Limit	0.00%	0.00%
Between Lower Earnings Limit and Primary Threshold (see note 2)	0.00%	0.00%
Between Primary Threshold and Upper Earnings Limit	12.00%	12.00%
Earnings above Upper Earnings Limit	2.00%	2.00%
Married woman's reduced rate	Between PT and UEL	5.85%
	Above UEL	2.00%

### Employer rate

	2019-20	2018-19
Below Secondary Threshold	0.0%	0.00%
Above Secondary Threshold	13.80%	13.80%
Employment allowance per year	£3,000	£3,000

### Class 2 (self-employed flat rate)

	2019-20	2018-19
Per week	£3.00	£2.95
Small earnings exemption (per year)	£6,365	£6,205
Special Class 2 rate for Share Fishermen	£3.65	£3.60
Special Class 2 rate for Volunteer Development Workers	£5.90	£5.80



## Tax rates and allowances 2019-20

### Class 3 (voluntary) per week

	2019-20	2018-19
Per week	£15.00	£14.65

### Class 4 (self-employed)

		2019-20	2018-19
Limits	Lower profits limit (LPL) per year	£8,632	£8,424
	Upper profits limit (UPL) per year	£50,000	£46,350
Rates	Between LPL and UPL	9.00%	9.00%
	Above UPL	2.00%	2.00%

### Class 1A and Class 1B rate

	2019-20	2018-19
Rate	13.80%	13.80%

### Apprenticeship Allowance

	2019-20	2018-19
Apprenticeship Allowance Per Employer	£15,000	£15,000
Apprenticeship Levy Rate	0.5%	0.5%

### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/national-insurance>

<http://www.gov.uk/government/rates-and-allowances-national-insurance-contributions/rates-and-allowances-national-insurance-contributions>

<http://www.gov.uk/guidance/pay-apprenticeship-levy>

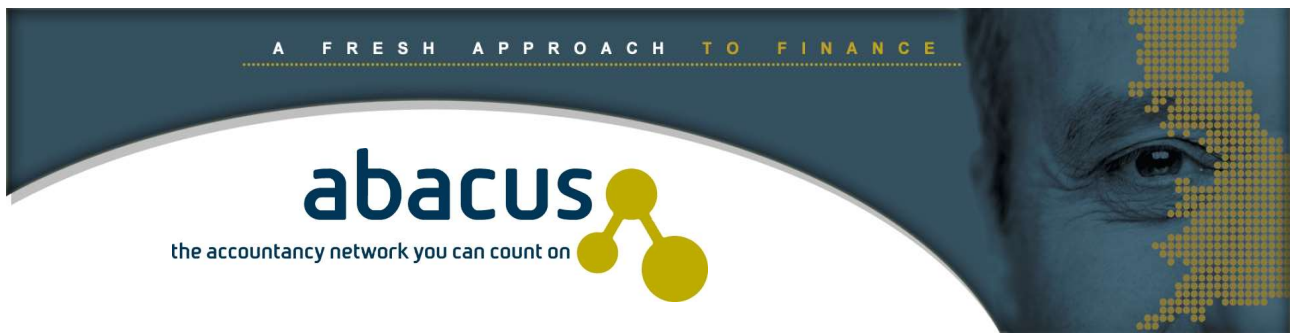
<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#class-1-national-insurance-thresholds>

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#paye-tax-and-class-1-national-insurance-contributions>

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#class-1-national-insurance-rates>

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#class-1a-national-insurance-expenses-and-benefits>

<https://www.gov.uk/guidance/rates-and-thresholds-for-employers-2019-to-2020#class-1b-national-insurance-payee-settlement-agreements-psas>



## Tax rates and allowances 2019-20

### Insurance Premium Tax

Since 1st June 2017, the standard rate of insurance premium tax applying to most general insurance is **12%**.

Life and other long-term insurance is **exempt**.

A higher rate applies to some mechanical breakdown and travel insurance, and insurance sold with certain goods. The higher rate is **20%**.

Source of information

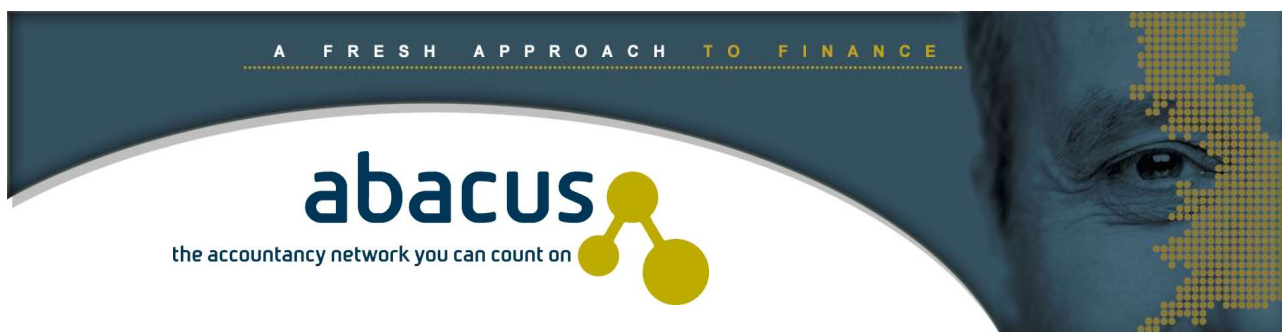
<https://www.gov.uk/government/publications/rates-and-allowances-insurance-premium-tax/insurance-premium-tax-rates>





Tax rates and allowances 2019-20

## PROPERTY TAXES



## Tax rates and allowances 2019-20

### Stamp Duty Land Tax Rates

#### Residential land or property SDLT / LBTT / LTT rates and thresholds

The rates apply to the portion of the total value which falls within each band.

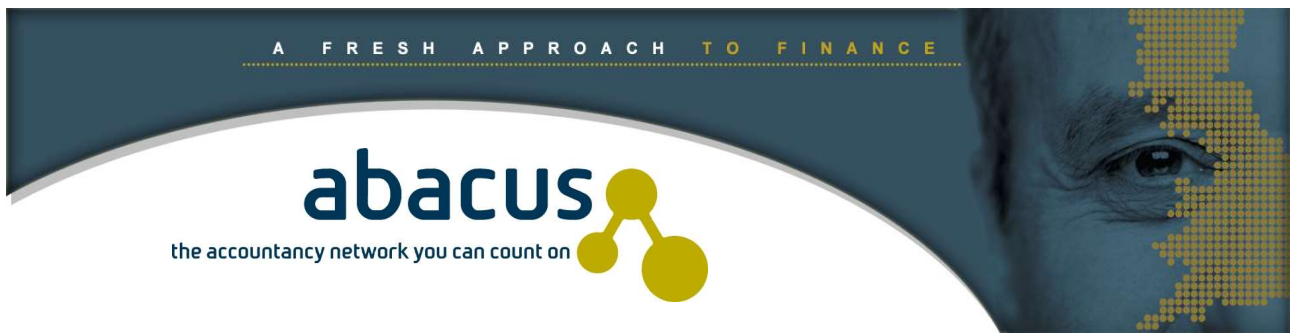
#### Notes

1. SDLT is 15% on properties with a total value £500,000 or more if purchased by companies and certain other non-natural entities.
2. A supplement of 3% will apply from 1<sup>st</sup> April 2016 to purchases of second and subsequent residential homes, including Buy-to-Let properties and Holiday Homes, where the cost of the second home is £40,000 or more.  
The Government has now confirmed that the supplement will apply to all purchases made by large investors.
3. When you buy a new residential leasehold property you pay SDLT on the purchase price of the lease (the lease premium) using the rates below.  
If the total rent over the life of the lease (known as net present value) is more than £125,000, you also pay SDLT of 1% on the portion over £125,000 unless you buy an existing (assigned) lease.

Purchase price/lease premium or transfer value	England & NI	Scotland	Wales
	SDLT	LBTT	LTT
£1 to £125,000	Nil	Nil	Nil
£125,001 to £145,000	2.0%	Nil	Nil
£145,001 to £180,000	2.0%	2.0%	Nil
£180,001 to £250,000	2.0%	2.0%	3.5%
£250,001 to £325,000	5.0%	5.0%	5.0%
£325,001 to £400,000	5.0%	10.0%	5.0%
£400,001 to £750,000	5.0%	10.0%	7.5%
£750,001 to £925,000	5.0%	12.0%	10.0%
£925,001 to £1,500,000	10.0%	12.0%	10.0%
Over £1,500,000	12.0%	12.0%	12.0%

#### Key

1. England & NI: SDLT – Stamp Duty Land Tax.
2. Scotland: LBTT – Land and Building Transaction Tax.
3. Wales: LTT – Land Transaction Tax.



## Tax rates and allowances 2019-20

### Commercial property SDLT rates and thresholds

The rates apply to the portion of the total value which falls within each band.

Purchase price/lease premium or transfer value	Commercial Land or Property		
	England & NI	Scotland	Wales
Up to £150,000	Nil	Nil	Nil
The portion from £150,001 to £250,000	2.0%	-	1.0%
The portion over £250,000	5.0%	-	-
The portion from £150,001 to £350,000	-	3.0%	-
The portion over £350,000	-	4.5%	-
The portion from £250,001 to £1,000,000	-	-	5.0%
The portion over £1,000,000	-	-	6.0%

### SDLT on rent for new leasehold properties – Residential

The rates apply to the portion of the total value which falls within each band.

Net present value of rent	SDLT Rate
Up to £125,000	Nil
The portion over £125,000	1.0%

### SDLT on rent for new leasehold properties - Non-residential or mixed use

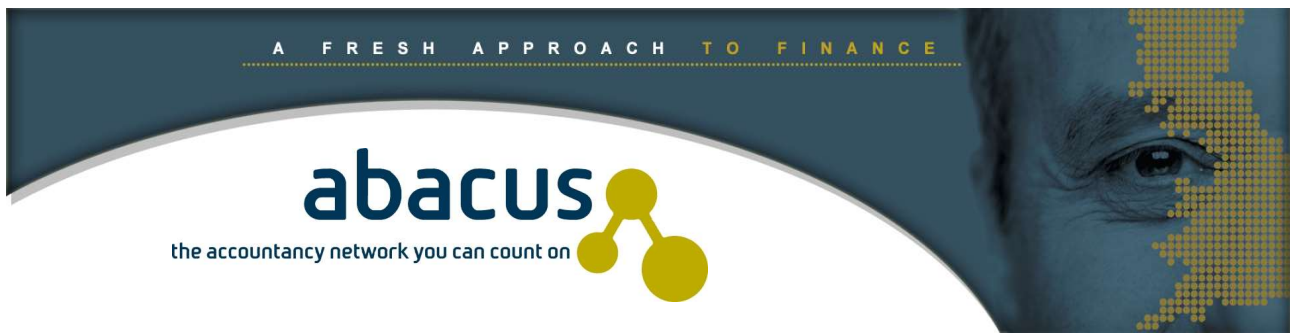
The rates apply to the portion of the total value which falls within each band.

When you buy a new non-residential mixed-use leasehold you pay SDLT on both:

- The purchase price of the lease (the lease premium) using the rates below
- The value of the annual rent you pay (the net present value [NPV]). The NPV is based on the total rent over life of the lease. You don't pay SDLT on the rent if the NPV is less than £150,000.

To calculate the SDLT on the annual rent use the table below

Net present value of rent	SDLT Rate
Up to £150,000	Nil
The portion £150,001 to £5,000,000	1.0%
The portion over £5,000,000	2.0%



## Tax rates and allowances 2019-20

### SDLT on shares and securities

- SDLT rate on shares and securities is 0.5%
- Shares are rounded up to the nearest £5.00
- Transactions of a value £1,000 or less are exempt
- There is a higher 1.5% rate of Stamp Duty and Stamp Duty Reserve Tax (SDRT) which applies to transfers of shares to depository receipt issuers and persons providing clearance services

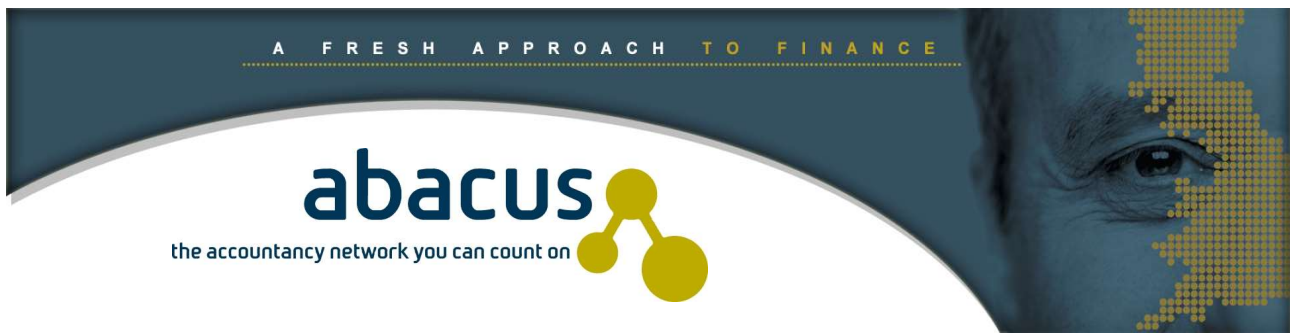
### Stamp Duty Land Tax Rates for first-time buyers purchasing properties worth £500,000 or less

Property Value	Rate
£0 - £300,000	Nil
£300,000 - £500,000	5%
£500,000 and above	Standard Rates Apply

Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<http://www.gov.uk/topic/business-tax/stamp-taxes>



## Tax rates and allowances 2019-20

### Annual Tax on Enveloped Dwellings (ATED)

1. Annual Tax on Enveloped Dwellings is an annual tax payable mainly by companies which own residential properties valued at more than £500,000.
2. You will need to complete an ATED Return if your Property:
  - Is a dwelling
  - Is in the UK
  - Was valued at more than £500,000 (2016-17 onwards)
  - Is owned completely or partially by a:
    - a. Company
    - b. Partnership where one of the partners is a company
    - c. Collective Investment Scheme, for example, a Unit Trust or an open-ended investment vehicle
3. There are various exemptions, review the ATED Technical Guidance at: <http://www.gov.uk/government/publications/annual-tax-on-enveloped-dwellings-technical-guidance>

Property value	2019-20	2018-19
£500,000 - £1M	£3,650	£3,600
£1M - £2M	£7,400	£7,250
£2M - £5M	£24,800	£24,250
£5M - £10M	£57,900	£56,550
£10M - £20M	£116,100	£113,400
Over £20M	£232,950	£226,350

#### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<https://www.gov.uk/guidance/annual-tax-on-enveloped-dwellings-the-basics>



## Tax rates and allowances 2019-20

### Rent-a-room Relief

	2019-20	2018-19
Rent-a-room relief	£ 7,500	£ 7,500

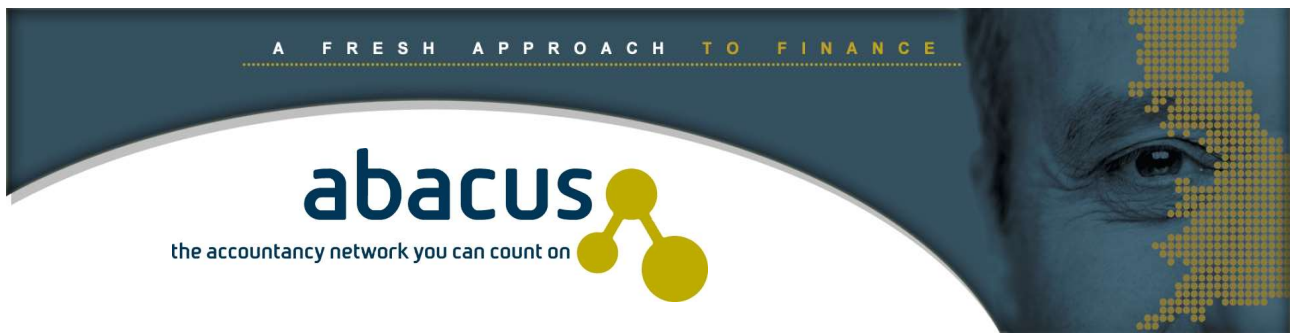
#### Notes

- The total exempt rental income that someone can have for renting out one or more rooms in their main residence remains at £7,500.
- If there is more than one landlord the relief is split equally between the landlords.

#### Source of information

<https://www.gov.uk/rent-room-in-your-home>

<https://www.gov.uk/rent-room-in-your-home/the-rent-a-room-scheme>



## Tax rates and allowances 2019-20

### Furnished Property

#### **Abolition of 10% wear and tear allowance**

Landlords of fully furnished residential lettings up to 2015-16 were able to claim a deduction of broadly 10% of gross rental income.

This was to compensate for not being able to claim any tax relief on the capital cost of fixtures and fittings.

The wear and tear allowance was abolished from the **2016-17** tax year and replaced by a deduction for the replacement cost of any existing capital items such as free-standing fridges, beds, sofas etc.

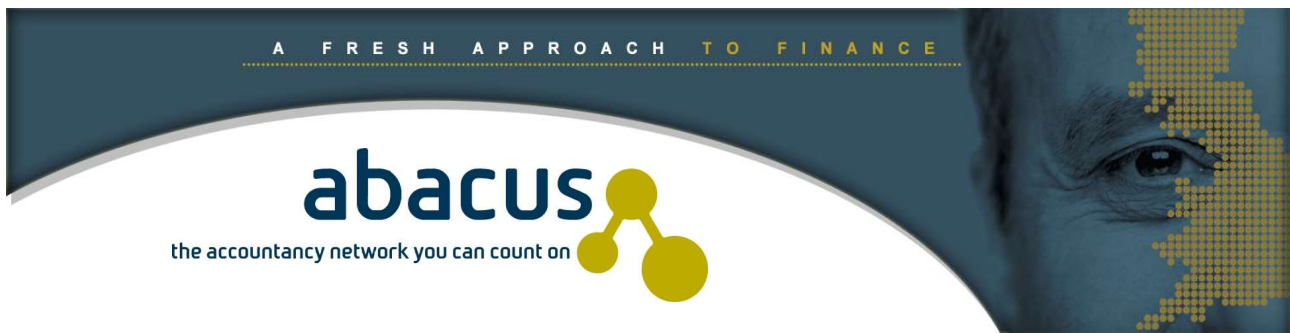
Unlike the wear and tear allowance this new relief is also available for partly-furnished properties.

To claim any replacement costs receipts for the expenditure must be kept and evidence that it is a replacement maybe necessary as the relief is not for additional assets only replacement assets.

Source of information

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/483726/Replacing\\_wear\\_and\\_tear\\_allowance\\_with\\_tax\\_relief\\_for\\_replacing\\_furnishings\\_in\\_let\\_dwelling\\_houses\\_-\\_summary\\_of\\_responses\\_M8067.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/483726/Replacing_wear_and_tear_allowance_with_tax_relief_for_replacing_furnishings_in_let_dwelling_houses_-_summary_of_responses_M8067.pdf)





## Tax rates and allowances 2019-20

### Buy-to-Let Properties Changes in Tax Legislation

The amount of Income Tax Relief some landlords can get on residential property costs will start to be restricted to the basic rate of tax from tax year 2017-18.

#### Who is affected?

- UK resident individuals that lets residential properties in the UK or overseas.
- Non-UK resident individuals that lets residential properties in the UK.
- Individuals who let such property in partnership.
- Trustee or beneficiary of trusts liable to Income Tax on the property profits.

#### You won't be affected if you are:

- UK resident company.
- Non-UK resident companies.
- Landlord of Furnished Holiday Lettings.

#### What finance costs are restricted?

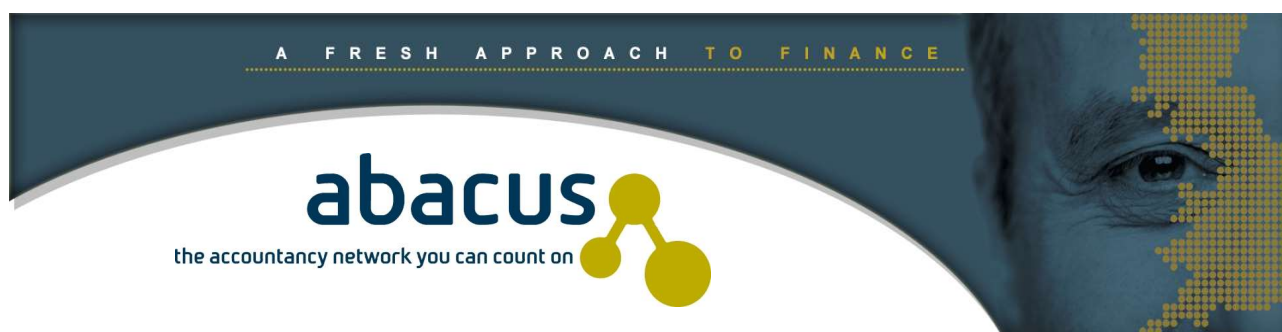
- Interest on Mortgages.
- Interest on loans – including loans to buy furnishings.
- Interest on overdrafts.
- Interest on alternative finance returns.
- Fees and other incidental costs for getting or repaying mortgages and loans.
- Discounts, premiums and disguised interest.

#### Phasing in the restriction

Tax Year	Interest on Tax return	
	Allowed	Disallowed
2017-18	75%	25%
2018-19	50%	50%
2019-20	25%	75%
2020-21	0%	100%

Source of information

<https://www.gov.uk/guidance/income-tax-when-you-rent-out-a-property-working-out-your-rental-income#tax-relief-change>



## Tax rates and allowances 2019-20

### What relief is given on the disallowed interest?

Relief is given on the disallowed interest at the current basic rate of tax (20%)

	2016-17	2017-18	2018-19	2019-20	2020-21*
Rental Income	£200,000	£200,000	£200,000	£200,000	£200,000
<b>Less</b>					
Interest	£120,000	£120,000	£120,000	£120,000	£120,000
Other costs	£40,000	£40,000	£40,000	£40,000	£40,000
<b>Profit</b>	<b>£40,000</b>	<b>£40,000</b>	<b>£40,000</b>	<b>£40,000</b>	<b>£40,000</b>
Disallowed Interest	£0	£30,000	£60,000	£90,000	£120,000
<b>Taxable Profit</b>	<b>£40,000</b>	<b>£70,000</b>	<b>£100,000</b>	<b>£130,000</b>	<b>£160,000</b>
Tax payable					
Personal Allowance	£0	£0	£0	£0	£0
20% band	£5,800	£6,700	£6,900	£7,500	£7,500
40% band	£0	£10,000	£21,460	£32,000	£40,000
Loss of personal allowance	£0	£0	£0	£5,000	£5,000
45% band	£0	£0	£0	£0	£4,500
<b>Gross Tax</b>	<b>£5,800</b>	<b>£16,700</b>	<b>£28,360</b>	<b>£44,500</b>	<b>£57,000</b>
20% relief on disallowed interest	£0	£6,000	£12,000	£18,000	£24,000
<b>Net Tax</b>	<b>£5,800</b>	<b>£10,700</b>	<b>£16,360</b>	<b>£26,500</b>	<b>£33,000</b>
<b>Class 4 NI</b>					
Between LPL – UPL 9%	£2,874	£3,315	£3,413	£3,723	£3,723
Above UPL 2%		£500	£1,073	£1,600	£2,200
<b>Total NI</b>	<b>£2,874</b>	<b>£3,815</b>	<b>£4,486</b>	<b>£5,323</b>	<b>£5,923</b>
<b>Total Tax &amp; NI</b>	<b>£8,674</b>	<b>£14,515</b>	<b>£20,846</b>	<b>£31,823</b>	<b>£38,923</b>
<b>Net Income</b>	<b>£31,326</b>	<b>£25,485</b>	<b>£19,154</b>	<b>£8,177</b>	<b>£1,077</b>

#### Note

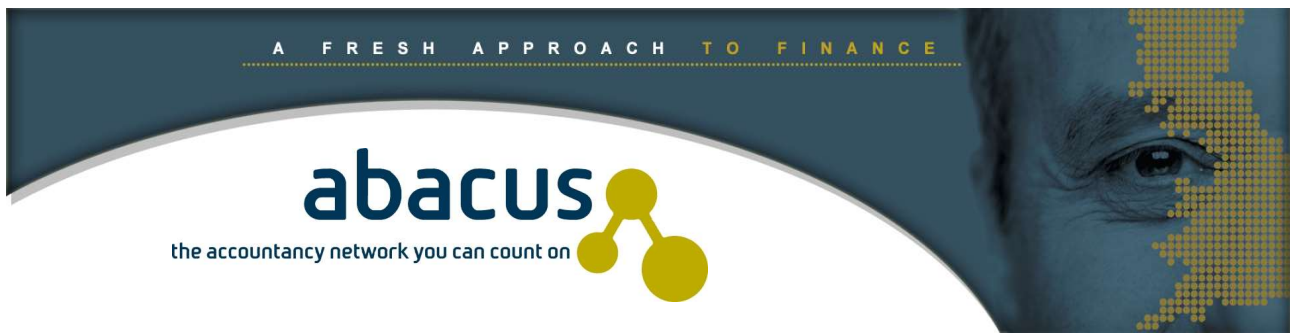
\* Tax year 2020-21 has been calculated at the 2019-20 tax rates.

**It is important you act before your tax liability reaches £38,923 leaving you with income of only £1,077 per annum.**



Tax rates and allowances 2019-20

## BUSINESS TAX



## Tax rates and allowances 2019-20

### Corporation Tax

	<b>01.04.19 to 31.03.20</b>	<b>01.04.18 to 31.03.19</b>
All profits	19%	19%

#### Notes

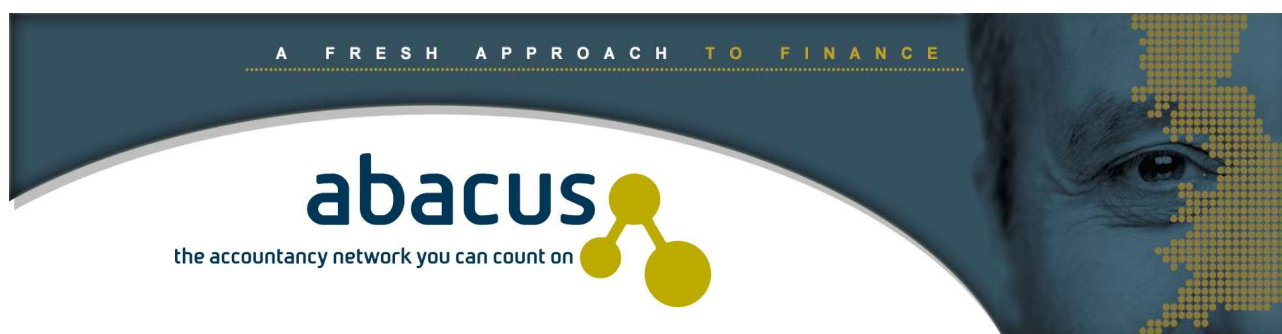
1. The profit limits are reduced for accounting periods less than 12 months and for a company with associated companies.
2. Ring fence profits from UK oil extraction and rights are taxed at 19% with a marginal relief fraction of 11/400.
3. The main rate of tax for ring fenced profits is 30%.
4. Large companies pay tax in instalments. Large companies are, broadly, those with taxable profits of at least £1.5 million and a corporation tax liability in excess of £10,000 for a 12-month accountancy period. The £1.5 million threshold is reduced pro rata for '51% Related Group Companies' and for accounting periods less than 12 months. The £10,000 is also reduced proportionally for starter accounting periods.

In a 12-month accounting period, four instalments are payable as follows:

- 6 months and 13 days from the first day of the accounting period
  - 3 months after the first instalment
  - 3 months after the second instalment
  - 3 months and 14 days from the last day of the accounting period.
5. Companies are not required to make instalment payments in the first year in which the £1.5 million threshold is reached unless their profits exceed £10 million.  
The £10 million threshold is also reduced pro rata '51% Related Group Companies' and for accounting periods of less than 12 months.
  6. Different instalment payment arrangements apply for ring-fence profits and Bank Levy.

#### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>  
<https://www.gov.uk/topic/business-tax/corporation-tax>  
<https://www.gov.uk/guidance/oil-and-gas-mining-ring-fence-corporation-tax>



## Tax rates and allowances 2019-20

### Capital Allowances and Annual Investment Allowance

#### Tangible Assets

#### Annual Investment Allowance (AIA)

	<b>Sole Trader / Partnership</b>	<b>Limited Company</b>
From the 1 <sup>st</sup> January 2019	£1,000,000	£1,000,000
1 <sup>st</sup> January 2016 – 31 <sup>st</sup> December 2018	£200,000	£200,000
6 <sup>th</sup> April 2014 – 31 <sup>st</sup> December 2015	£500,000	-
1 <sup>st</sup> April 2014 – 31 <sup>st</sup> December 2015	-	£500,000
1 <sup>st</sup> January 2013 – 5 <sup>th</sup> April 2014	£250,000	-
1 <sup>st</sup> January 2013 – 31 <sup>st</sup> March 2014	-	£250,000
6 <sup>th</sup> April 2012 – 31 <sup>st</sup> December 2012	£25,000	-
1 <sup>st</sup> April 2012 – 31 <sup>st</sup> December 2012	-	£25,000
6 <sup>th</sup> April 2010 – 5 <sup>th</sup> April 2012	£100,000	-
1 <sup>st</sup> April 2010 – 31 <sup>st</sup> March 2012	-	£100,000
6 <sup>th</sup> April 2008 – 5 <sup>th</sup> April 2010	£50,000	-
1 <sup>st</sup> April 2008 – 31 <sup>st</sup> March 2010	-	£50,000

#### Notes

1. You can deduct the full value of an item that qualifies for Annual Investment Allowance (AIA) from your profits before tax (up to the maximum for the period listed above).
2. You can claim AIA on most plant and machinery and new and used cars with CO<sub>2</sub> emissions not exceeding 75gm/km (2018-19 50gm/km).
3. You can't claim AIA on:
  - Cars with CO<sub>2</sub> emissions in excess of 75gm/km (2018-19 50gm/km)
  - Items you owned for another reason before you started using them in your business
  - Items given to you for your business.

For these items claim writing-down allowance as appropriate instead.

4. If your accounting period straddles two AIA rates you use a proportion of both rates to calculate the maximum amount of AIA you can claim.

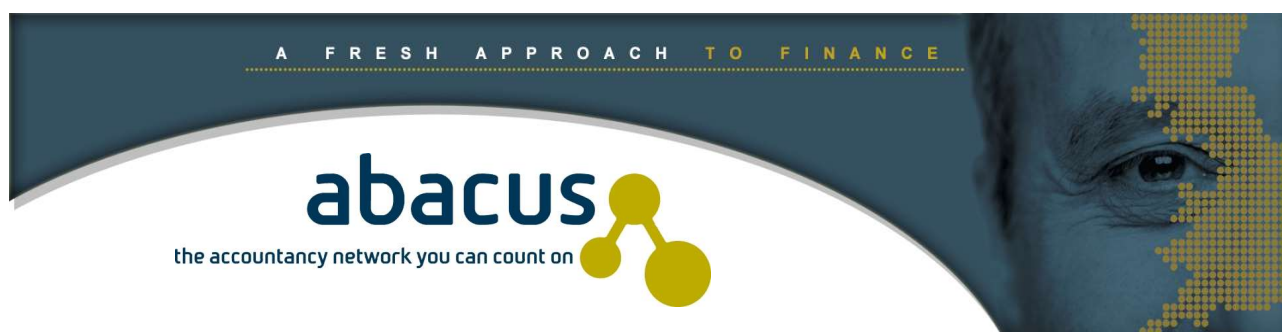
For example, your year end is 31.03.16, the amount of AIA is calculated as follows:

$$3/12 \times £200,000 = £50,000$$

$$9/12 \times £500,000 = \underline{£375,000}$$

$$\text{Total AIA} = \underline{£425,000}$$

5. Assets purchased that allows you to claim first year allowance (first year allowance is the full cost of the asset) are over-and-above your AIA.



## Tax rates and allowances 2019-20

6. Once you have utilised all of your AIA, additional assets go into either the Main Pool or Special Rate Pool / Single Asset Pool (mainly cars with CO<sub>2</sub> greater than 130gm/km (2018-19 110gm/km)) and you can claim Reducing Balance writing-down allowances of 18% on the Main Pool and 6% on the Special Pool.

### Plant and Machinery

	2019-20	2018-19
Main writing down allowance rate	18%	18%
Special rate pool (long life assets and integral features within a building)	6%	8%
Enterprise Zone plant & machinery (max €125m per investment project)	100%	100%
Patent rights & know-how (annual reducing balance)	25%	25%
Energy and water-efficient equipment	100%	100%
Electric vans	100%	100%
Energy saving/environmentally beneficial assets	100%	100%
Structure and Buildings Allowance (SBA)	2%	2%

### Motor Cars

	2019-20	2018-19
New or used cars with CO <sub>2</sub> emissions of 75gm/km or less (non-electric)	100%	-
New or used cars with CO <sub>2</sub> emissions between 75gm/km and 130gm/km	18%	-
Second hand cars with CO <sub>2</sub> emissions of 130gm/km or less or car is electric	18%	-
Emissions greater than 130gm/km	6%	-
New or used cars with CO <sub>2</sub> emissions of 50gm/km or less (non-electric)	-	100%
New or used cars with CO <sub>2</sub> emissions between 50gm/km and 100gm/km	-	18%
Second hand cars with CO <sub>2</sub> emissions of 110gm/km or less or car is electric	-	18%
Emissions greater than 110gm/km	-	8%

### Other Asset Types

	2019-20	2018-19
Commercial or Industrial Buildings in an Enterprise Zone	100%	100%
Business premises Renovation Allowance	withdrawn	100%



## Tax rates and allowances 2019-20

### Intangible Assets

- Companies receive a deduction for expenditure on an accounts basis.
- Allowances at 4% p.a. are available by election.

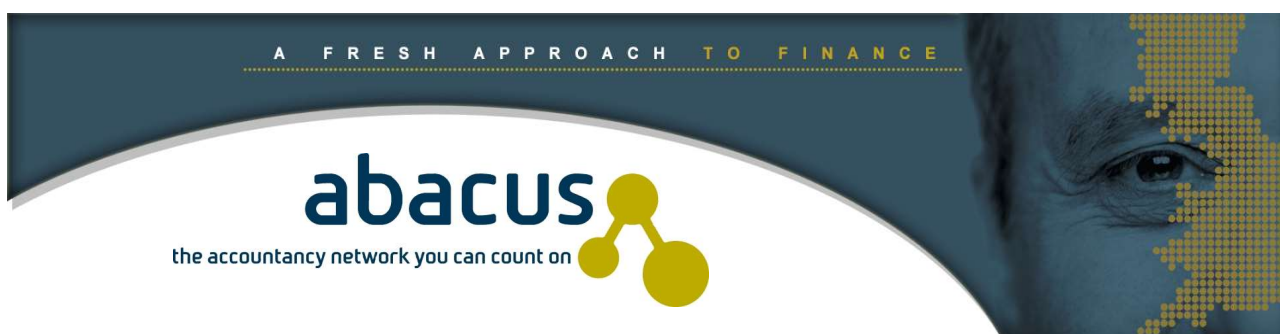
#### Source of information

<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>

<https://www.gov.uk/topic/business-tax/capital-allowances>

<https://www.gov.uk/capital-allowances>





## Tax rates and allowances 2019-20

### Research & Development (R&D) and other product tax reliefs

	2019-20	2018-19
R&D Tax Credits, small & medium sized business (SME) scheme	230.0%	230.0%
R&D SME Payable Credit	14.5%	14.5%
R&D SME Expenditure Credit	12.0%	12.0%
Patent Box	10.0%	10.0%
Film Tax Relief	25.0%	25.0%
High-end TV Tax Relief	25.0%	25.0%
Video Games Tax Relief	25.0%	25.0%
Open-ended Investment Companies and authorised Unit Trusts	20.0%	20.0%

### Research & Development Relief: Revenue costs

The meaning of Research & Development (R&D) for these purposes and for the Capital Research & Development Allowance is set out in the BEIS Guidelines issued on 5 March 2004.

Large Companies (i.e. those that are not SMEs) can make claims under the R&D Expenditure Credits (RDEC) regime. Under this regime, the benefit will be recorded as a taxable credit in operating profit and will be equal to 12% (2018-19 also 12%) of the qualifying expenditure.

Non-tax paying large companies can receive a cash pay-out equal to the net value of the credit, subject to a cap based on the PAYE/NIC paid over to HMRC in respect of staff costs included in the R&D claim, and being a going concern, at the time the claim is made.

Companies that are SMEs are entitled to an additional deduction of 130% of qualifying R&D expenditure. For non-tax paying SMEs a cash alternative of up to 33.35p for every pound of qualifying expenditure may be available depending on the current year tax losses.

A cap limits the total amount of SME R&D a company can claim on each project to €7.5million (euro) and a going concern requirement applies.

An SME for R&D purposes is a company which, together with certain related enterprises, meets the EU definitions but with higher limits such that it has fewer than 500 employees and either turnover not exceeding €100million (euro) or total assets not exceeding €86 million (euro).

#### Source of information

<https://www.gov.uk/guidance/corporation-tax-research-and-development-rd-relief>

<https://www.gov.uk/guidance/corporation-tax-research-and-development-tax-relief-for-small-and-medium-sized-enterprises>

<https://www.gov.uk/guidance/corporation-tax-research-and-development-tax-relief-for-large-companies>

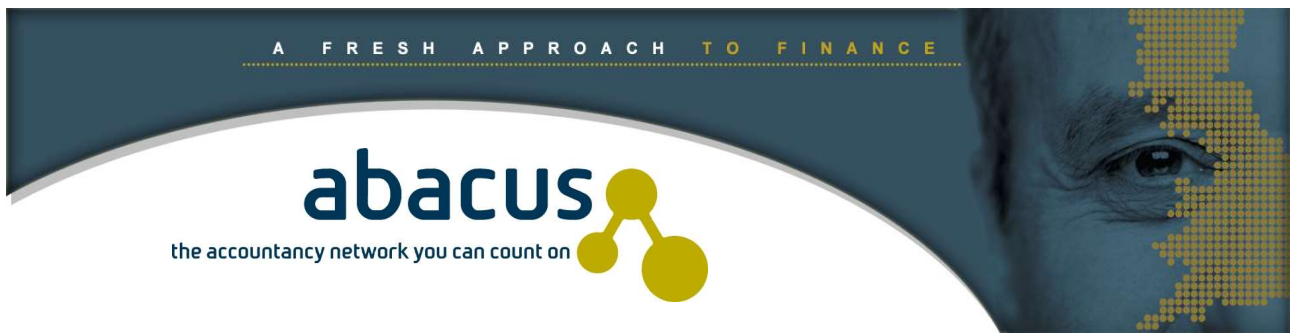
<https://www.icaew.com/technical/tax/working-with-hmrc/uk-tax-rates-allowances-and-reliefs>



## Tax rates and allowances 2019-20

### Business Rates in England

	2019-20	2018-19
England – Standard Multiplier	50.4	49.3p
England – Small Business Multiplier	49.1	48.0p



## Tax rates and allowances 2019-20

### Directors or Shareholder Loans

When a company which is controlled by its directors, or by five or fewer shareholders, makes a loan to a shareholder/director, the company must pay an extra Corporation Tax charge.

#### 2019-20

- In 2019-20 the Corporation Tax charge will be 32.5% of the loan (2018-19 was also 32.5%).
- This continues to align the tax charge with the dividend tax payable by higher rate taxpayers.
- Loans made to a charity will be exempt from this tax charge.

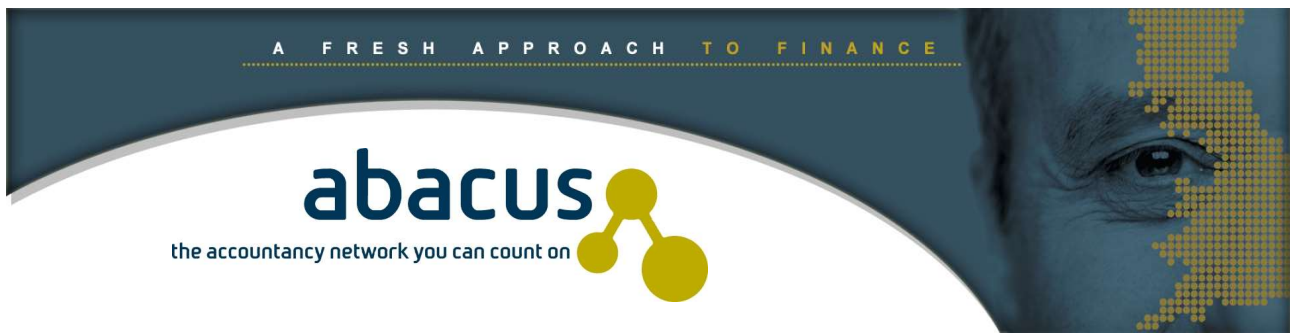
#### 2018-19

- In 2018-19 the Corporation Tax charge was 32.5% of the loan (2017-18 was also 32.5%).
- This continued to align the tax charge with the dividend tax payable by higher rate taxpayers.
- Loans made to a charity were exempt from this tax charge.

Source of information

<https://www.gov.uk/government/publications/rates-and-allowances-beneficial-loan-arrangements-hmrc-official-rates/beneficial-loan-arrangements-hmrc-official-rates>

<https://www.gov.uk/directors-loans/you-owe-your-company-money>



## Tax rates and allowances 2019-20

### Beneficial Loans

A director or employee obtains a benefit by reason of their employment when he or she, or any of their relatives, are provided with a cheap or interest free loan.

These loans are called beneficial loans.

An employee is chargeable to tax and the employer is liable for class 1A National Insurance on the difference between the official rate of interest and the interest, if any, paid.

The benefit can be calculated using either of the following methods:

#### Normal Averaging Method

$$\frac{\text{Loan at start of year} + \text{loan at end of year}}{2} \times \frac{\text{Months loan outstanding}}{12} \times \text{Official rate}$$

#### Alternative Precise Method

Sum of:

$$\text{Loan outstanding on each day} \times \frac{\text{Official rate on that day}}{365}$$



## Tax rates and allowances 2019-20

### HMRC Average Official Rates

Use the table below to find the average official rate of interest for years when:

- The loan was outstanding throughout the income tax year
- You are using the normal averaging method calculation

Tax Year	Average official rate %
2019-20	announced at end of tax year
2018-19	2.50%
2017-18	2.50%
2016-17	3.00%
2015-16	3.00%
2014-15	3.25%
2013 -14	4.00%
2012 -13	4.00%
2011-12	4.00%
2010-11	4.00%
2009-10	4.75%
2008-09	6.10%
2007-08	6.25%
2006-07	5.00%
2005-06	5.00%
2004-05	5.00%
2003-04	5.00%
2002-03	5.00%
2001-02	5.94%
2000-01	6.25%
1999-2000	6.25%
1998-99	7.16%
1997-98	7.08%
1996-97	6.93%
1995-96	7.79%

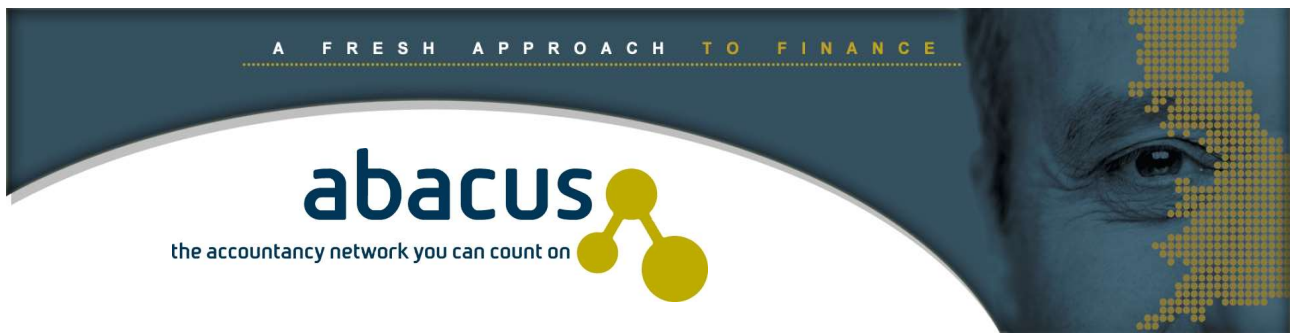


## Tax rates and allowances 2019-20

### HMRC Actual Official Rates

Use the table below in cases not within the above table.

From	To	Actual official rate %
6 <sup>th</sup> April 2017		2.50%
6 <sup>th</sup> April 2015	5 <sup>th</sup> April 2017	3.00%
6 <sup>th</sup> April 2014	5 <sup>th</sup> April 2015	3.25%
6 <sup>th</sup> April 2010	5 <sup>th</sup> April 2014	4.00%
1 <sup>st</sup> March 2009	5 <sup>th</sup> April 2010	4.75%
6 <sup>th</sup> April 2007	28 <sup>th</sup> February 2009	6.25%
6 <sup>th</sup> January 2002	5 <sup>th</sup> April 2007	5.00%
6 <sup>th</sup> March 1999	5 <sup>th</sup> January 2002	6.25%
6 <sup>th</sup> August 1997	5 <sup>th</sup> March 1999	7.25%
6 <sup>th</sup> November 1996	5 <sup>th</sup> August 1997	6.75%
6 <sup>th</sup> June 1996	5 <sup>th</sup> November 1996	7.00%
6 <sup>th</sup> February 1996	5 <sup>th</sup> June 1996	7.25%
6 <sup>th</sup> October 1995	5 <sup>th</sup> February 1996	7.75%
6 <sup>th</sup> November 1994	5 <sup>th</sup> October 1995	8.00%



## Tax rates and allowances 2019-20

### Business Premises Renovation Allowance – ceased 2017

BPRA gives incentives to bring back into business use derelict or business properties that have been unused for at least one year. It provides an allowance of 100% of certain expenditure incurred when converting or renovating unused business premises in a disadvantaged area.

#### Expenditure that qualifies

- Building works
- Architectural and design services
- Surveying or engineering services
- Planning applications
- Statutory fees and statutory permissions

#### End Date

This allowance ends on **31<sup>st</sup> March 2017** for **Corporation Tax** and **5<sup>th</sup> April 2017** for **Income Tax**.  
**All funds, therefore, must have been incurred by 11<sup>th</sup> April 2017.**

#### Disadvantaged Areas

A list of disadvantaged areas can be found at:

- <http://www.legislation.gov.uk/en/uksi/2014/1508/made>

Or use the postcode finder at:

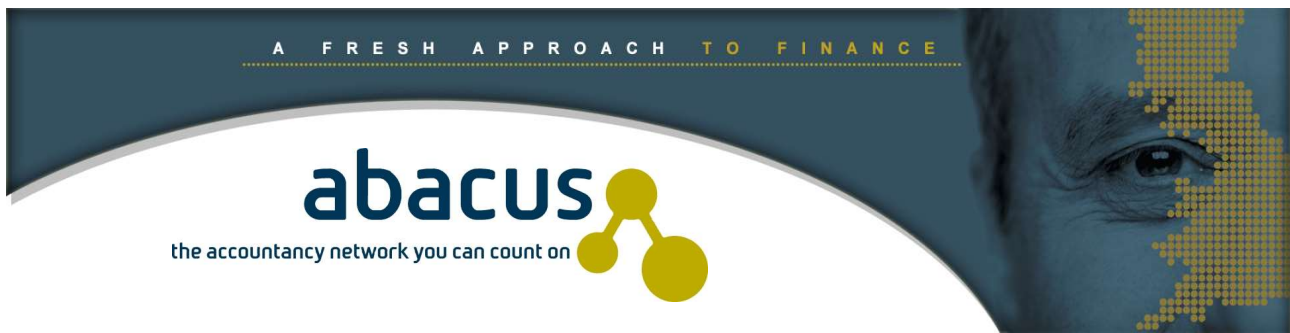
- <http://www.ukassistedareamap.com/ieindex.html>





Tax rates and allowances 2019-20

## HMRC PENALTIES AND CHARGES



## Tax rates and allowances 2019-20

### HMRC - Penalties and Interest Charge

It is in everyone's interest to avoid penalties. Understanding how Her Majesty's Revenue and Customs (HMRC) penalties work can help you to help your clients to avoid them.

Each tax or duty has specific rules on penalties for late payment or filing. A penalty may also be due if your client doesn't tell HMRC about a liability to tax at the right time.

We strongly recommend you read HMRC guidance "Penalties: an overview for agents and advisers" which can be found at:

- <https://www.gov.uk/guidance/penalties-an-overview-for-agents-and-advisers>

Following is a summary of the key points of note for each main category:

### Self-assessment tax return deadlines and penalties

#### Deadline for Registration and Submission of Tax returns

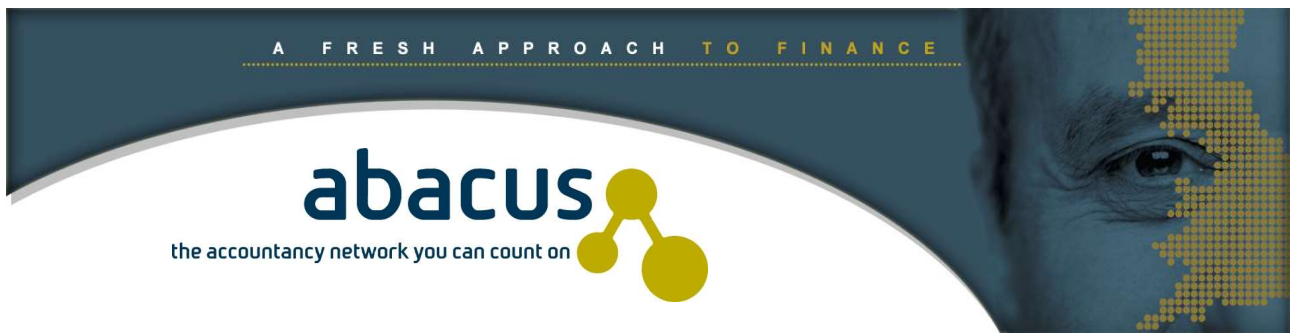
	Date Due	
	2019-20	2018-19
Register for self-assessment	05.10.20	05.10.19
Paper Tax returns	31.10.20	31.10.19
Online Tax returns	31.01.21	31.01.20
Pay Tax Due	31.01.21	31.01.20

#### Late filing penalties - Self-assessment tax returns

Late Filings	Penalty
Initial Fixed Penalty - 1 day to 3 months late	£100.00
From three months late to six months	£10.00 daily charge added up to £900.00
Six months late	Either 5% of the tax due or £300.00, whichever is the greater
Twelve months late	Either 5% of the tax due or £300.00, whichever is the greater

All fines are cumulative.

Even if the actual tax due is less than £100.00 or even if a rebate is due the initial fixed penalty remains.



## Tax rates and allowances 2019-20

### Late payment penalties - Self-assessment tax returns

Late Payment	Penalty
30 days late	5% of the tax unpaid at that time
6 months late	A further penalty charge of 5% of the tax that is still unpaid
12 months late	A further penalty charge of 5% of the tax that is still unpaid

All penalties are cumulative.

These penalties are in addition to any interest charged on all outstanding amounts, including unpaid penalties, until the payment is received.

Penalties do not apply when an agreed time to pay has been arranged with HMRC.

For the HMRC information on self-assessment penalties go to:

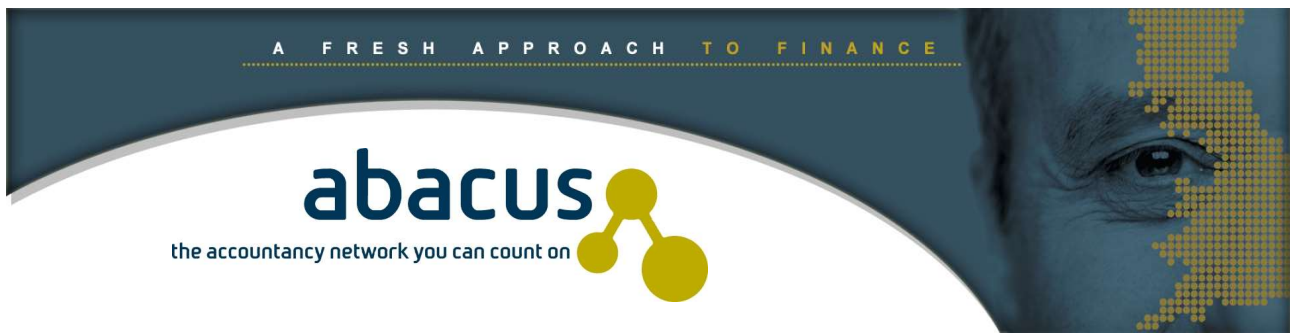
- <https://www.gov.uk/self-assessment-tax-returns/penalties>

### Partnership tax returns

#### Late filing penalties - Partnership tax returns

Late filings	Penalty Per Partner
Initial Fixed Penalty - 1 day to 3 months late	£100.00 each partner
From three months late to six months	£10.00 daily charge added up to £900.00 each partner
Six months late	A further penalty of £300.00 each partner
Twelve months late	A further penalty of £300.00 each partner

The above fines apply to each partner. Therefore, if a partnership has 3 partners the initial fine is £300.00, the second £30.00 per day up to £2,700.00 and so on.



## Tax rates and allowances 2019-20

### Corporation Tax

Penalties for not telling HMRC your company is liable for corporation tax

Type of failure	Maximum penalty for each type of failure
Non-deliberate	30% of the potential lost revenue
Deliberate but not concealed	70% of the potential lost revenue
Deliberate and concealed	100% of the potential lost revenue

### Late filing penalties - Corporation tax returns

Late filings	Penalty
Initial Fixed Penalty – 1 day late	£100.00
Three months late	A further £100.00
Six months late	HMRC will estimate your company's tax bill and add a penalty of 10% of the unpaid tax
Twelve months late	HMRC will add a further 10% of the unpaid tax

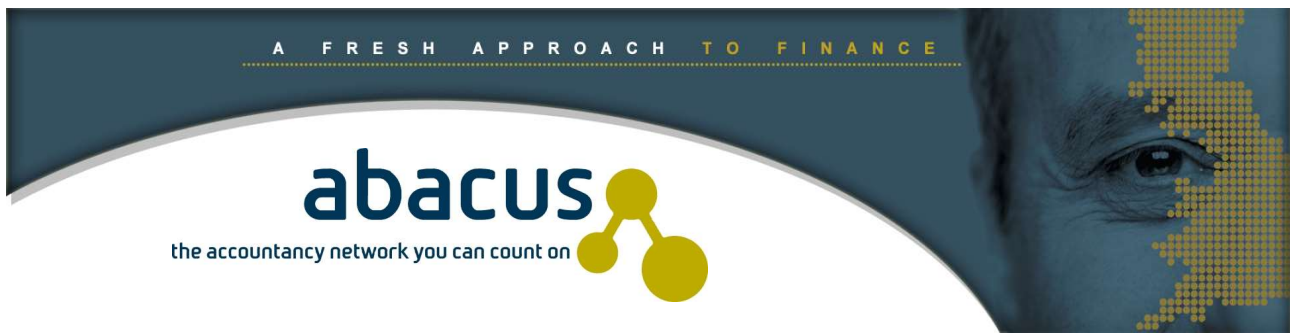
If your corporation tax return is late 3 times in a row, the £100.00 penalty is increased to £500.00.

### Penalties for inaccurate company tax returns, documents and information

The penalty is a percentage of the extra tax due when HMRC corrects your mistake. The amount of penalty you'll face will depend on the type of error and when you told HMRC about it.

The penalty will be less if you tell HMRC about your error before they find out about it – this is known as unprompted disclosure. If you told HMRC after they found out about the error, or if you told them because you thought they were about to find out, this is called prompted disclosure.

Type of error	Penalty Range	
	Unprompted disclosure	Prompted disclosure
Careless	0% - 30%	15% - 30%
Deliberate but not concealed	20% - 70%	35% - 70%
Deliberate and concealed	30% - 100%	50% - 100%



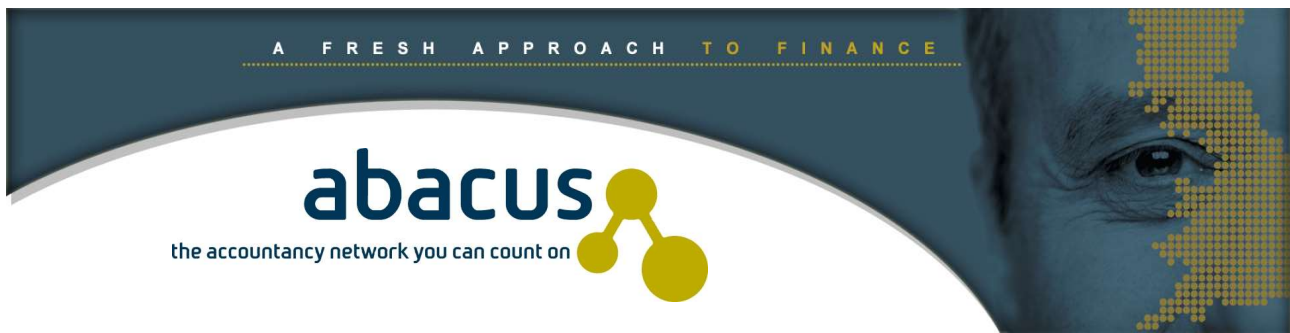
## Tax rates and allowances 2019-20

### Interest charged on late or underpaid corporation tax

If you pay your Corporation Tax late, don't pay enough, or don't pay at all, HMRC will charge your company or organisation interest. This interest is known to HMRC as late payment interest.

Interest is charged from the day after the tax should have been paid (normally 9 months and one day after the end of your accounting period) until the date you pay it. Interest charges are automatic, however, interest is not charged on interest itself.

Any late payment interest you pay to HMRC is tax deductible for Corporation Tax purposes. This means you can include this expense in your company accounts for the accounting period when the interest was incurred.



## Tax rates and allowances 2019-20

### PAYE & National Insurance

#### Late filing penalties - PAYE real-time information returns

Number of Employees	Penalty
From 1 - 9	£100.00
From 10 - 49	£200.00
From 50 - 249	£300.00
250 or more	£400.00

An employer is liable to a penalty if, during a tax month, they fail to file one or more RTI returns by the filing date.

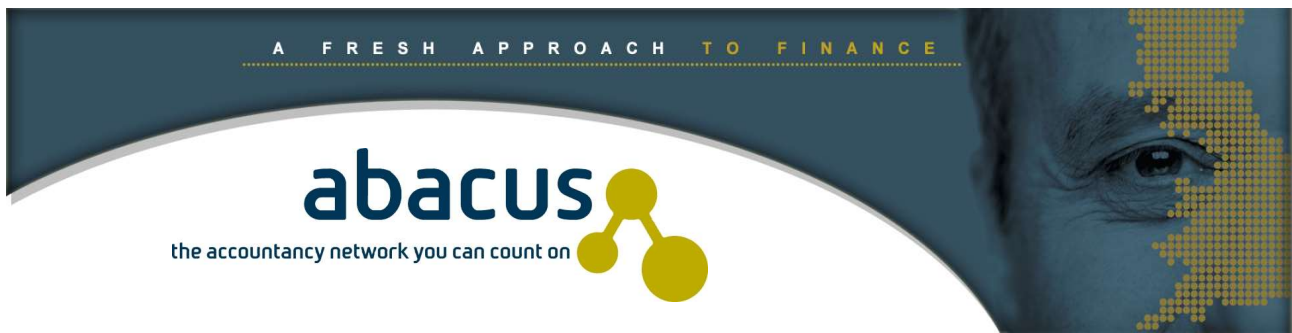
For each tax year an employer will not be charged a penalty for the first tax month during which they fail to file one or more returns on time.

This exemption does not apply to employers who operate an annual PAYE scheme who are only required to file one return per year.

#### Interest charged on late or underpaid PAYE and National Insurance

If you pay your PAYE late, don't pay enough, or don't pay at all, HMRC will charge your company or organisation interest. This interest is known to HMRC as late payment interest.

Interest is charged from the day after the PAYE should have been paid until the date you pay it. Interest charges are automatic, however, interest is not charged on interest itself.



## Tax rates and allowances 2019-20

### Construction Industry Scheme (CIS)

#### Interest charged on late or underpaid CIS payments

If you pay your CIS late, don't pay enough, or don't pay at all, HMRC will charge your company or organisation interest. This interest is known to HMRC as late payment interest.

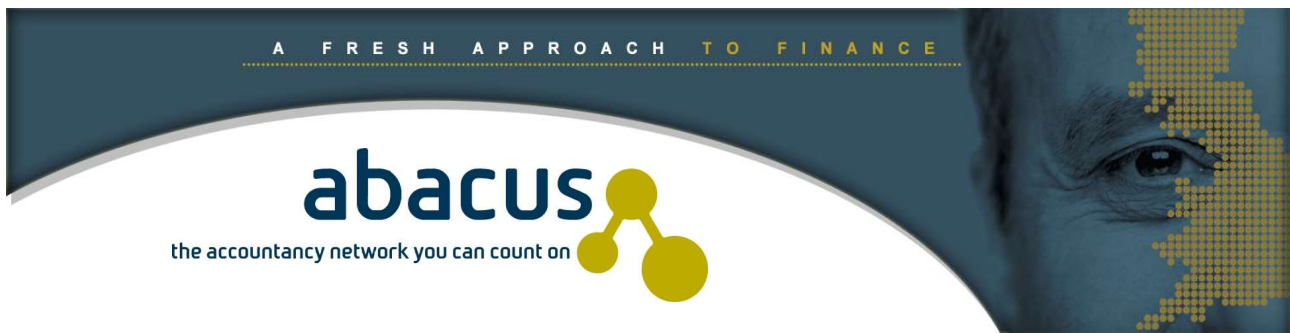
Interest is charged from the day after the CIS should have been paid until the date you pay it. Interest charges are automatic, however, interest is not charged on interest itself.

#### Late filing penalties - CIS returns

How late the return is	Penalty
1 day late	£100.00
2 months late	£200.00
6 months late	£300.00 or 5% of the CIS deductions on the return, whichever is the greater
12 months late	£300.00 or 5% of the CIS deductions on the return, whichever is the greater

For a return later than this, you may be given an additional penalty of up to £3,000.00 or 100% of the CIS deductions on the return, whichever is higher.





## Tax rates and allowances 2019-20

### VAT

#### Late filing penalties – VAT returns

Number of late filings	Penalty
First late filing	£100.00
Second late filing	£200.00
Third late filing	£300.00
Fourth late filing	£300.00
Fifth and all subsequent late filings	£400.00

The penalty period is 1 year but the 12 month period starts again each time a late filing occurs.

#### Late payment penalties – VAT returns

Number of late payments	% of VAT owed
First late payment	No penalty but 12 month penalty period commences
Second late payment	2%
Third late payment	5%
Fourth late payment	10%
Fifth and all subsequent late payments	15%

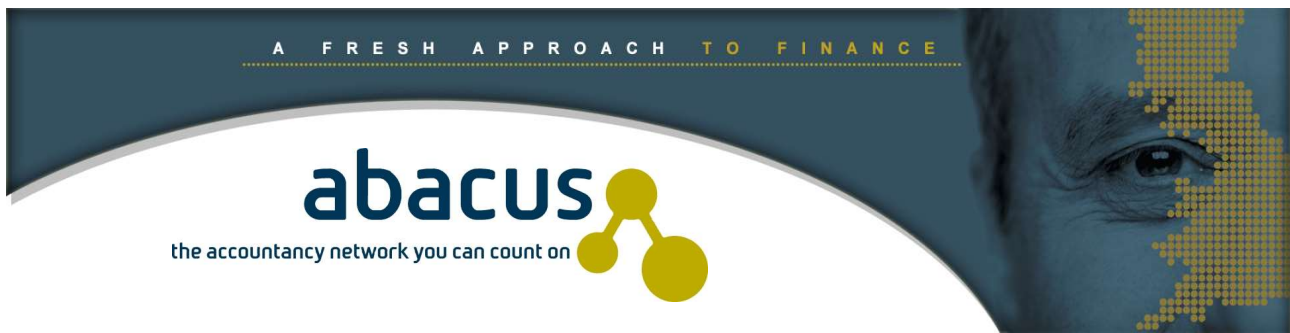
The penalty period is 1 year but the 12 month period starts again each time a late payment occurs.

### Misdeclaration Penalty

The new penalties for inaccuracies in tax returns and documents was introduced on 1<sup>st</sup> April 2008 but only for Returns where the accounting period commences on or after 1<sup>st</sup> April 2008.

Information on the new penalties can be found on:

- VAT Notice 700/42  
(<https://www.gov.uk/government/publications/vat-notice-70042-misdeclaration-penalty-and-repeated-misdeclaration>)



## Tax rates and allowances 2019-20

### Late Registration Penalty

Late by	Penalty
Up to 9 months	5%
9 - 18 months	10%
Over 18 months	15%

The penalty is calculated as a percentage of the VAT due, from the date when you should have registered to the date when you do register.

Subject to a minimum penalty of £50.00.

Information on Late Registration Penalties can be found on:

- VAT Notice 700/41  
(<https://www.gov.uk/government/publications/vat-notice-70041-late-registration-penalty>)
- and
- Factsheet CC/FS11  
(<https://www.gov.uk/government/publications/compliance-checks-penalties-for-failure-to-notify-ccfs11> )

### Civil Evasion Penalty

Based on tax evaded, maximum penalty: 100% (plus interest)

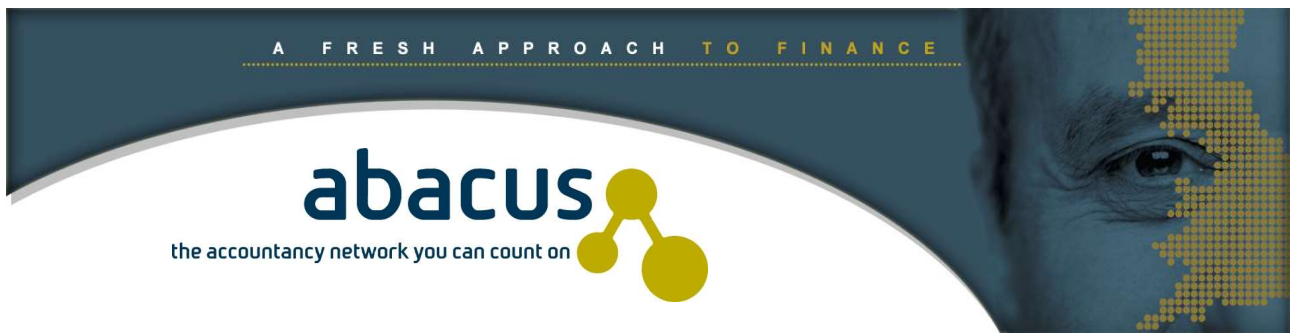
Possible reductions on penalty:		Up to
a.	An early and truthful explanation as to why the arrears arose and the true extent of them	40%
b.	Co-operation in substantiating the true amount of arrears Attending interviews and producing records and information as required	40%
<b>Total Reduction</b>		<b>80%</b>

### Default Interest

The interest rate is set by the Air Passenger Duty and other indirect taxes (interest rate) Regulations 1988. It will be a simple, not compound, rate and will broadly be in line with Commercial Rates of interest.

You cannot deduct this interest from your net profit for the purposes of calculating your direct tax liability – the rate of interest is set to reflect this.

The default interest is calculated at the above rates on the VAT due.



## Tax rates and allowances 2019-20

### Default Surcharge

A default occurs when a return is received late or when it is received on time but the tax is not.

#### Default surcharge

- The default surcharge will be suspended until a second default occurs within 12 months of the first default.
- At this point the default surcharge will be issued.

#### Surcharge liability notice

- Issued for default surcharge.
- Once issued it will remain in force until you have not been in default for 12 months.

### Surcharge Payable

From 01.10.2003	
Default	% of VAT owed
1 <sup>st</sup>	0% but default period commences
2 <sup>nd</sup>	2%
3 <sup>rd</sup>	5%
4 <sup>th</sup>	10%
5 <sup>th</sup> & subsequent	15%

Minimum surcharge £30.00.

At 2% or 5% level, no surcharge assessment will be issued under £400.00.

From 1 January 2003, for businesses with turnover up to £150,000.00 p.a., no automatic surcharge until at least 4 separate written communications offering help and support have been made.

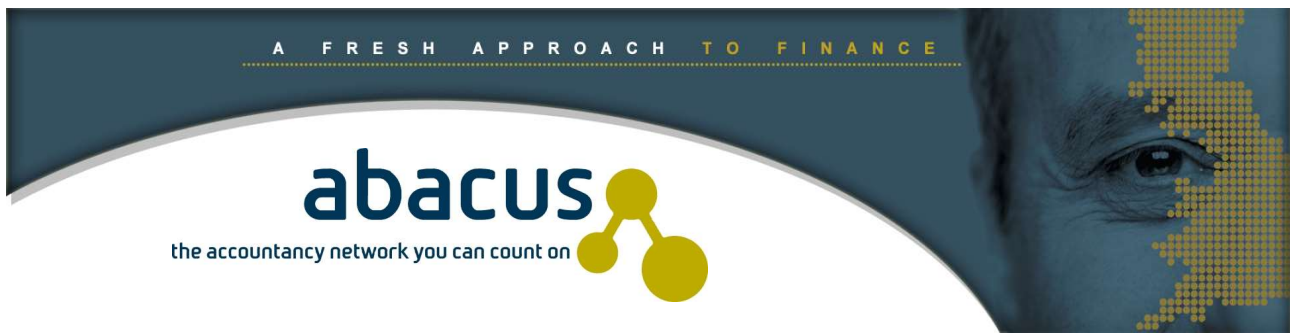
Between July 2001 and December 2002 for businesses up to £100,000.00 no automatic surcharge until three separate communications received.

A F R E S H   A P P R O A C H   T O   F I N A N C E



Tax rates and allowances 2019-20

COMPANIES HOUSE



## Tax rates and allowances 2019-20

### Confirmation Statement

The abolition of the **Annual Return** and the Introduction of **Confirmation Statements**.

From 30 June 2016 the annual return is being replaced by the confirmation statement. At least once every year a company needs to review the information Companies House hold about the company and confirm it's correct or that the company will update it at the time they make the statement. Companies will be able to do this online.

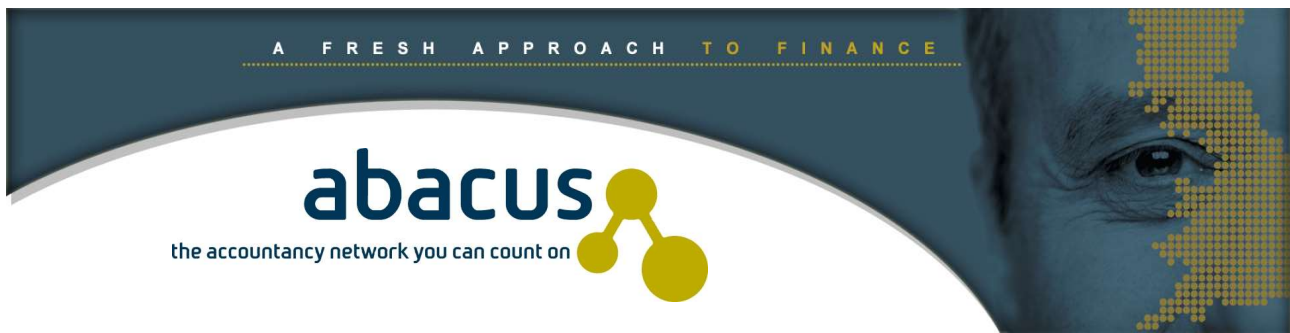
To complete the confirmation statement a company will need to:

- Check the information Companies House hold on the company's registered office, directors and location of their registers. If any of these need changing update these by filing the right form
- Update the company shareholder information, statement of capital and the company standard industry classification (SIC codes). This can be done as part of completing the confirmation statement
- Check and confirm the company record is up-to-date
- Pay the Companies House fee.

As part of the first confirmation statement the company must also provide the information contained in the register of people with significant control (PSC).

If the company information changes at a later date, the company can make a confirmation statement to update the company record and confirm it's correct. The company can confirm their record is up-to-date as many times as they need to. The company will only be charged once each year.

Additional guidance notes can be found on Companies House website.



## Tax rates and allowances 2019-20

### People with Significant Control

Important changes that will affect all companies.

From 6 April 2016 you need to start keeping a record of the people who control a company - PSC's. There are criminal penalties if a company doesn't comply with this new legislation.

For most companies PSC's will be individuals who:

- Hold more than 25% of the company's shares
- Hold more than 25% of the company's voting rights
- Have the right to appoint or remove the majority of directors.

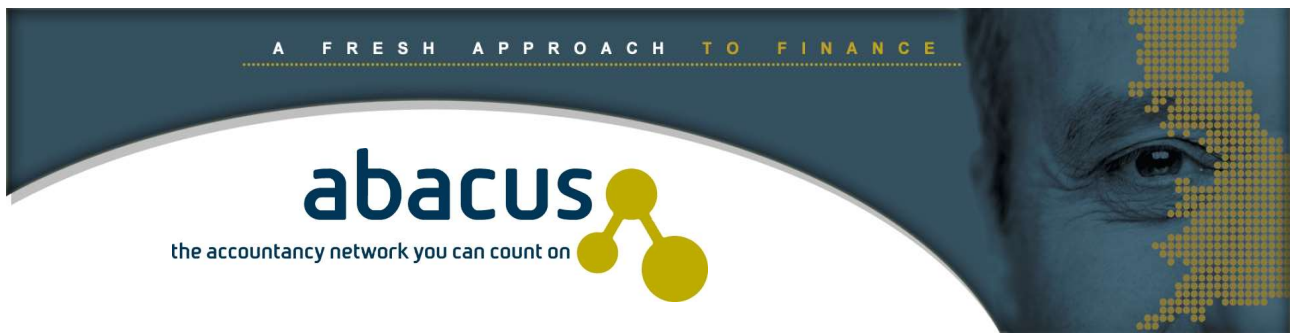
If an individual does not meet the above conditions, check to see if there is anyone who:

- Has the right to, or actually exercises, significant influence or control over the company
- Has the right to, or actually exercises, significant influence or control over a trust or company that meets one of the above condition.

From 30 June 2016 companies need to provide Companies House with the details of their PSC's. In most cases companies will do this as part of their first Confirmation Statement.

If a company doesn't have any PSC's or the company is still trying to confirm who they are, the company will have a selection of statements to choose from.

Also if the company believes any of their PSC's should be covered by Companies House's protection regime, they need to read the additional guidance carefully for details of how they can apply to have their information protected.



## Tax rates and allowances 2019-20

### Penalties and Interest charge

#### Late filing penalties - Annual Accounts to Companies House

Late filings	Penalty
Up to 1 month	£150.00
Between 1 to 3 months	£375.00
Between 3 to 6 months	£750.00
More than 6 months	£1,500.00

The penalty is doubled if your accounts are late 2 years in a row.

Penalties for public limited companies are different.

You can be fined up to £5,000.00 and your company struck off the register if you don't send Companies House your accounts or annual return.

#### Late submission of your Companies House Confirmation Statement

The due date for your annual return is usually a year after either the:

- Incorporation of your company
- Date you filed your last annual return

A company has 14 days after the due date to file the confirmation statement.

A company could be fined up to £5,000.00 and the company struck off if you don't send Companies House your confirmation statement.