

BAKER WATKIN

CHARTERED ACCOUNTANTS & CHARTERED TAX ADVISER



INCOME TAX RATES

2011/12		2010/11	
Band £	Rate %	Band £	Rate %
0 - 2,560	10*	0 - 2,440	10*
0 - 35,000	20**	0 - 37,400	20**
35,001 - 150,000	40♦	37,401 - 150,000	40♦
Over 150,000	50•	Over 150,000	50•

*Only applicable to dividends and savings income. The 10% rate is not available if taxable non-savings income exceeds £2,560 (£2,440).

** Except dividends (10%).

♦ Except dividends (32.5%).

• Except dividends (42.5%).

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

INCOME TAX RELIEFS

		2011/12 £	2010/11 £
Personal allowance	- under 65	7,475	6,475
	- 65 - 74*	9,940	9,490
	- 75 and over*	10,090	9,640
(Reduce personal allowance by £1 for every £2 of adjusted net income over £100,000.)			
Married couple's allowance (relief at 10%)*		7,295	6,965
(Either partner 75 or over and born before 6 April 1935.)			
	- min. amount	2,800	2,670
*Age allowance income limit		24,000	22,900
(Reduce age allowance by £1 for every £2 of adjusted net income over £24,000 (£22,900).)			
Blind person's allowance		1,980	1,890

TAX CREDITS

	2011/12 £	2010/11 £
Working Tax Credit		
Basic element - max.	1,920	1,920
Childcare element		
70% (80%) of eligible costs up to £175 per week (£300 if two or more children).		
Child Tax Credit (CTC)		
Child element		
per child - max.	2,555	2,300
Family element	545	545
Baby addition	-	545

Reductions in maximum rates

41% (39%) of income above £6,420* p.a.

*If only CTC is claimed, the threshold is £15,860 (£16,190) p.a. The family element of CTC is not reduced unless income is more than £40,000 (£50,000) p.a. when the withdrawal rate is 41% (6.67%).

PENSION PREMIUMS

2011/12

- Tax relief available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings.
- Any contributions in excess of £50,000 (£255,000), whether personal or by the employer, may be subject to income tax on the individual.
- Where the £50,000 limit is not fully used it may be possible to carry the unused amount forward for three years.
- Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively'. Tax relief for large contributions may be spread over several years.

CAR, VAN AND FUEL BENEFITS

2011/12

CO ₂ emissions (gm/km) (round down to nearest 5gm/km)	% of car's list price taxed
up to 125	15
130	16
135	17
140	18
145	19
150	20
155	21
160	22
165	23
170	24
175	25
180	26
185	27
190	28
195	29
200	30
205	31
210	32
215	33
220	34
225 and above	35

Company cars

- For diesel cars add a 3% supplement but maximum still 35%.
- A 0% rate applies to cars which cannot emit CO₂ when driven.
- A 5% rate applies to non-electric cars with emissions which do not exceed 75gm/km.
- A 10% rate applies to non-electric cars with emissions which do not exceed 120gm/km.
- The diesel supplement can apply to 75 and 120gm/km 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.

Car fuel benefit 2011/12

£18,800 x 'appropriate percentage'

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

The charge does not apply to certain environmentally friendly cars.

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

Van benefit per vehicle

2011/12

Van benefit £3,000 Fuel benefit £550

The charges do not apply to vans which cannot emit CO₂ when driven or if a 'restricted private use condition' is met throughout the year.

MILEAGE ALLOWANCE PAYMENTS

	2011/12 Rate per mile
Cars and vans	
Up to 10,000 miles	45p
Over 10,000 miles	25p
Bicycles	20p
Motorcycles	24p

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

INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

	2011/12 £	2010/11 £
Overall annual investment limit	10,680	10,200
Comprising - cash up to	5,340 max.	5,100 max.
- balance in stocks and shares	10,680 max.	10,200 max.

CORPORATION TAX

	Year to 31.3.12		Year to 31.3.11	
	Profits band £	Rate %	Profits band £	Rate %
Small profits rate	0 - 300,000	20*	0 - 300,000	21*
Marginal (small profits) rate	300,001 - 1,500,000	27.5*	300,001 - 1,500,000	29.75*
Main rate	Over 1,500,000	26*	Over 1,500,000	28*
Standard fraction		3/200*		7/400*

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

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

CAPITAL ALLOWANCES

Plant and machinery - Annual Investment Allowance (AIA)

The AIA gives a 100% write-off on most types of plant and machinery costs, including integral features and long life assets but not cars, of up to £100,000 p.a. (£50,000 for expenditure incurred before 6 April 2010 (1 April 2010 for companies). Special rules apply for accounting periods straddling these dates.)

Any costs over the AIA fall into the normal capital allowance pools at either 10% or 20%. The AIA may need to be shared between certain businesses under common ownership.

Other plant and machinery allowances

The annual rate of allowance is 20%. A 10% rate applies to expenditure incurred on integral features and on long life assets.

A 100% first year allowance may be available on certain energy efficient plant and cars, including expenditure incurred on new and unused zero emission goods vehicles on or after 6 April 2010 (1 April 2010 for companies).

Cars

For expenditure incurred on cars on or after 6 April 2009 (1 April 2009 for companies), costs are generally allocated to one of the two plant and machinery pools. Cars with CO₂ emissions not exceeding 160gm/km receive a 20% allowance p.a. Cars with CO₂ emissions over 160gm/km receive a 10% allowance p.a.

Industrial and agricultural buildings and hotels

The annual rate of allowance is nil (1%) from 6 April 2011 (1 April 2011 for companies). Special rules apply for accounting periods straddling these dates.

VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%
Annual Registration Limit - from 1.4.11 (1.4.10 - 31.3.11	£70,000) £73,000
Annual Deregistration Limit - from 1.4.11 (1.4.10 - 31.3.11	£68,000) £71,000

CAPITAL GAINS TAX

	2011/12	2010/11
Individuals		23.6.10-5.4.11
	£	£
Exemption	10,600	10,100
Standard rate	18%	18%
Higher rate*	28%	28% (18%)
Trusts		
Exemption	5,300	5,050
Rate	28%	28% (18%)

*For higher and additional rate taxpayers.

Entrepreneurs' Relief

For disposals on or after 6 April 2011 the first £10m (£5m for disposals on or after 23 June 2010 and before 6 April 2011) of qualifying gains are charged at 10%. Gains in excess of the limit are charged at the rates detailed above.

INHERITANCE TAX

Death rate	Lifetime rate	Chargeable transfers
%	%	2011/12 and 2010/11
		£'000
Nil	Nil	0 - 325*
40	20	Over 325*

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

Reliefs

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

Reduced charge on gifts within seven years of death

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

STAMP DUTY AND STAMP DUTY LAND TAX

Land and buildings (on full consideration paid)			
Rate	Residential property*		Non-residential
	Disadvantaged areas	Other	
	£	£	£
Nil	0 - 150,000	0 - 125,000	0 - 150,000
1%*	150,001 - 250,000*	125,001 - 250,000*	150,001 - 250,000
3%	250,001 - 500,000	250,001 - 500,000	250,001 - 500,000
4%	500,001 - 1,000,000	500,001 - 1,000,000	Over 500,000
5%**	Over 1,000,000**	Over 1,000,000**	-

* Relief available for first time buyers for transactions with an effective date on or after 25 March 2010 and before 25 March 2012.

** For transactions with an effective date on or after 6 April 2011.

Shares and securities - rate 0.5%.

NATIONAL INSURANCE

2011/12 Class 1 (employed) contracted in rates

Employee		Employer	
Earnings per week	%	Earnings per week	%
Up to £139	Nil*	Up to £136	Nil
£139.01 - £817	12	Over £136	13.8
Over £817	2		

* Entitlement to contribution-based benefits retained for earnings between £102 and £139 per week.

Class 1A (employers)	13.8% on employee taxable benefits
Class 1B (employers)	13.8% on PAYE Settlement Agreements
Class 2 (self-employed)	flat rate per week £2.50 small earnings exception £5,315 p.a.
Class 3 (voluntary)	flat rate per week £12.60
Class 4 (self-employed)	9% on profits between £7,225 and £42,475 plus 2% on profits over £42,475

MAIN SOCIAL SECURITY BENEFITS

Weekly benefit	2011/12	2010/11
Basic retirement pension - single person	£102.15	£97.65
- married couple	£163.35	£156.15
Statutory pay rates - average weekly earnings £102 (£97) or over		
Statutory Sick Pay	£81.60	£79.15
Statutory Maternity Pay		
First six weeks	90% of weekly earnings	
Next 33 weeks	£128.73*	£124.88*
Statutory Paternity Pay - two weeks	£128.73*	£124.88*
Statutory Adoption Pay - 39 weeks	£128.73*	£124.88*

*Or 90% of weekly earnings if lower.

Additional Paternity Pay and Leave may be available for a child due or adoptions matched on or after 3 April 2011.

SELF ASSESSMENT: KEY DATES 2011/12

31 July 2011 - Second payment on account for 2010/11.

5 October 2011 - Deadline for notifying HMRC of new sources of income if no tax return has been issued for 2010/11.

31 October 2011 - Deadline for submission of 2010/11 non-electronic returns.

31 January 2012 - Deadline for filing electronic tax returns for 2010/11.

Balancing payment due for 2010/11. First payment on account due for 2011/12.

The information in this tax card is based upon the 2011 Budget and earlier announcements and may be subject to amendment by the Finance Act.

2011

	January	February	March	April
Mon	31 3 10 17 24	7 14 21 28	7 14 21 28	4 11 18 25
Tue	4 11 18 25	1 8 15 22	1 8 15 22 29	5 12 19 26
Wed	5 12 19 26	2 9 16 23	2 9 16 23 30	6 13 20 27
Thu	6 13 20 27	3 10 17 24	3 10 17 24 31	7 14 21 28
Fri	7 14 21 28	4 11 18 25	4 11 18 25	1 8 15 22 29
Sat	1 8 15 22 29	5 12 19 26	5 12 19 26	2 9 16 23 30
Sun	2 9 16 23 30	6 13 20 27	6 13 20 27	3 10 17 24

	May	June	July	August
Mon	30 2 9 16 23	6 13 20 27	4 11 18 25	1 8 15 22 29
Tue	31 3 10 17 24	7 14 21 28	5 12 19 26	2 9 16 23 30
Wed	4 11 18 25	1 8 15 22 29	6 13 20 27	3 10 17 24 31
Thu	5 12 19 26	2 9 16 23 30	7 14 21 28	4 11 18 25
Fri	6 13 20 27	3 10 17 24	1 8 15 22 29	5 12 19 26
Sat	7 14 21 28	4 11 18 25	2 9 16 23 30	6 13 20 27
Sun	1 8 15 22 29	5 12 19 26	3 10 17 24 31	7 14 21 28

	September	October	November	December
Mon	5 12 19 26	31 3 10 17 24	7 14 21 28	5 12 19 26
Tue	6 13 20 27	4 11 18 25	1 8 15 22 29	6 13 20 27
Wed	7 14 21 28	5 12 19 26	2 9 16 23 30	7 14 21 28
Thu	1 8 15 22 29	6 13 20 27	3 10 17 24	1 8 15 22 29
Fri	2 9 16 23 30	7 14 21 28	4 11 18 25	2 9 16 23 30
Sat	3 10 17 24	1 8 15 22 29	5 12 19 26	3 10 17 24 31
Sun	4 11 18 25	2 9 16 23 30	6 13 20 27	4 11 18 25

2012

	January	February	March	April
Mon	30 2 9 16 23	6 13 20 27	5 12 19 26	30 2 9 16 23
Tue	31 3 10 17 24	7 14 21 28	6 13 20 27	3 10 17 24
Wed	4 11 18 25	1 8 15 22 29	7 14 21 28	4 11 18 25
Thu	5 12 19 26	2 9 16 23	1 8 15 22 29	5 12 19 26
Fri	6 13 20 27	3 10 17 24	2 9 16 23 30	6 13 20 27
Sat	7 14 21 28	4 11 18 25	3 10 17 24 31	7 14 21 28
Sun	1 8 15 22 29	5 12 19 26	4 11 18 25	1 8 15 22 29

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