

TAX RATES

2018/19



Sheridan Accountancy Services Limited
Chartered Certified Accountants

Income Tax

Allowances

	2018/19	2017/18
Personal Allowance (PA)*	£11,850	£11,500
Marriage Allowance†	1,190	1,150
Blind Person's Allowance	2,390	2,320
Rent a room relief**	7,500	7,500
Trading Income**	1,000	1,000
Property Income**	1,000	1,000

*PA will be withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000.

There will therefore be no allowance given if adjusted income is £123,700 or more (2017/18: £123,000).

† The part of the PA that is transferable to a spouse or civil partner who is not a higher or top rate taxpayer.

**If gross income exceeds it, the limit may be deducted instead of actual expenses.

Rate bands

	2018/19	2017/18
Basic Rate Band (BRB)	£34,500	£33,500
Higher Rate Band (HRB)	34,501 – 150,000	33,501 – 150,000
Additional rate	over 150,000	over 150,000
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	2,000	5,000

BRB (Scotland: intermediate rate band) and additional rate threshold are increased by personal pension contributions (up to permitted limit) and Gift Aid donations.

Tax rates

	2018/19 & 2017/18		
	G	S	D
Basic rate	20%	20%	7.5%
Higher rate	40%	40%	32.5%
Additional rate	45%	45%	38.1%

General income (salary, pensions, business profits, rent) usually uses personal allowance, basic rate and higher rate bands before savings income (interest). Scottish taxpayers are taxed at different rates on general income (see below).

To the extent that savings income falls in the first £5,000 of the basic rate band, it is taxed at nil rather than 20%.

The PSA taxes interest at nil, where it would otherwise be taxable at 20% or 40%.

Dividends are normally taxed as the 'top slice' of income. The DA taxes the first £2,000

(2017/18: £5,000) of dividend income at nil, rather than the rate that would otherwise apply.

Income tax - Scotland 2018/19

	Band	Rate
Starter rate	£2,000	19%
Basic rate	2,001 – 12,150	20%
Intermediate rate	12,151 – 31,580	21%
Higher rate	31,581 – 150,000	41%
Top rate	over 150,000	46%

The Scottish rates and bands do not apply for savings and dividend income, which are taxed at normal UK rates.

In 2017/18, the Scottish rates were the same as in the rest of the UK, except that the higher rate band began at £31,501 rather than £33,501.

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of adjusted net income between £50,000 and £60,000.

Income Tax (continued)

Remittance basis charge	2018/19	2017/18
For non-UK domiciled individuals who have been UK resident in at least:		
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	60,000
15 of the preceding 20 tax years	Deemed to be UK domiciled	

Pensions

Registered Pensions	2018/19	2017/18
Lifetime Allowance (LA)	£1,030,000	£1,000,000
Annual Allowance (AA)	40,000	40,000

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

State pension (per week)	2018/19	2017/18
Old state pension – Single person	£125.95	£122.30
– Married couple	201.45	195.60
New state pension†	164.35	159.55

†Applies to those reaching state retirement age after 5 April 2016.

Annual investment limits

	2018/19	2017/18
Individual Savings Account (ISA)		
– Overall limit	£20,000	£20,000
– Lifetime ISA	4,000	4,000
Junior ISA	4,260	4,128
EIS – 30% relief*	2,000,000	1,000,000
EIS eligible for CGT deferral relief	Unlimited	Unlimited
Seed EIS (SEIS) – 50% relief	100,000	100,000
SEIS – 50% exemption for reinvested gains	100,000	100,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

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

National Insurance Contributions

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£162pw	£162pw
Main rate* charged up to	£892pw	no limit
2% rate on earnings above	£892pw	N/A
Employment allowance per business**	N/A	£3,000

*Nil rate of employer NIC for employees under the age of 21 and apprentices under 25, up to £892pw.

**Some businesses do not qualify, including certain sole director companies.

Employer contributions (at 13.8%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

National Insurance Contributions (continued)

Class 2 (Self employed)

Flat rate per week	£2.95
Small profits threshold	£6,205

Class 3 (Voluntary)

Class 3: Flat rate per week	£14.65
-----------------------------	--------

Class 4 (Self employed)

On profits £8,424 – £46,350	9.0%
On profits over £46,350	2.0%

Vehicle Benefits

Cars

Taxable benefit: Chargeable value multiplied by chargeable %.

Chargeable value: Initial list price of car (including most accessories), reduced by any capital contribution (maximum £5,000) by employee when the car is first made available.

Chargeable percentage:

CO ₂ emissions g/km*	Petrol	Diesel
0-50	13%	17%
51-75	16%	20%
76-94	19%	23%
Above 94	Add 1% for every 5g/km	
Above 179 (petrol)/159 (diesel)	37% maximum	

*The percentages for petrol cars apply to diesel cars that meet the RDE2 standard.

Vans

Chargeable value of £3,350 (2017/18 £3,230) if private use is more than home-to-work. Electric vans £1340 (2017/18 £646).

Fuel

Employer provides fuel for private motoring in an employer-owned:

Car: CO₂-based percentage from above table multiplied by £23,400 (2017/18 £22,600).

Van: £633 (2017/18 £610).

Employee contributions do not reduce taxable figure unless all private fuel is paid for by the employee (in which case there is no benefit charge).

Tax-free mileage allowances

Employee's own transport

	per business mile
Cars first 10,000 miles	45p
Cars over 10,000 miles	25p
Business passengers	5p
Motorcycles	24p
Bicycles	20p

Capital Gains Tax

Annual exempt amount	2018/19	2017/18
Individuals, estates	£11,700	£11,300
Most trusts	5,850	5,650

Tax rate

Individual (to basic rate limit)*	10%	10%
Individual (above basic rate limit)*	20%	20%
Entrepreneurs' Relief (ER)**	10%	10%
Trusts, estates*	20%	20%

*Individuals are taxed at 18%/28% on gains on residential property and receipts of carried interest. Trusts and estates are taxed at 28% in these circumstances.

**ER is available for lifetime gains of up to £10m. Qualifying disposals include a trading business and shares in a trading company (from a minimum 5% holding) by an officer/employee. Various conditions apply.

Corporation Tax

Year to	31.3.2019	31.3.2018
Corporation Tax rate	19%	19%

Research and development relief	From	1.4.2015
	1.1.2018	to 31.12.2017

SME enhanced expenditure deduction scheme*	130%	130%
Large company R&D Expenditure Credit (RDEC) scheme**	12%	11%

*Additional deduction for qualifying R&D.

**Taxable expenditure credit for qualifying R&D.

SMEs that make losses can surrender the deduction to HMRC in exchange for a payment of 14.5% of the loss.

Main capital allowances

Plant and machinery

100% Annual Investment Allowance (AIA)	£200,000
--	----------

Other rates

– energy/water-efficient equipment	100%
– writing down allowance: general pool (reducing balance)	18%
– writing down allowance: special rate pool (reducing balance)	8%

The special rate pool includes long life assets, integral plant in buildings, thermal insulation.

Motor cars purchased	From	1.4.15	Allowance
	1.4.18	to 31.3.18	
	CO ₂ (g/km)	CO ₂ (g/km)	
New cars only	up to 50	up to 75	100%
In general pool	up to 110	up to 130	18% pa
In special rate pool	above 110	above 130	8% pa

Property Taxes

Annual Tax on Enveloped Dwellings (ATED)

ATED applies to residential properties valued at more than £0.5m owned by a corporate structure, unless used for a qualifying purpose.

Property value

	Annual charge to	
	31.3.2019	31.3.2018
£0.5m – £1m	£3,600	£3,500
£1m – £2m	7,250	7,050
£2m – £5m	24,250	23,550
£5m – £10m	56,550	54,950
£10m – £20m	113,400	110,100
Over £20m	226,950	220,350

Stamp Duty Land Tax (SDLT), Land and Buildings Transaction Tax (LBTT) and Land Transaction Tax (LTT)

Residential property (1st property only)

SDLT - England & NI		LBTT - Scotland		LTT - Wales	
£000	Rate on band	£000	Rate on band	£000	Rate on band
Up to 125	Nil	Up to 145	Nil	Up to 180	Nil
125 – 250	2%	145 – 250	2%	180 – 250	3.5%
250 – 925	5%	250 – 325	5%	250 – 400	5.0%
925 – 1,500	10%	325 – 750	10%	400 – 750	7.5%
Over 1,500	12%	Over 750	12%	750 – 1,500	10.0%
				Over 1,500	12.0%

LTT replaces SDLT in Wales from 1 April 2018.

A supplement of 3% of the total purchase price applies for all three taxes where an additional residential property is purchased for more than £40,000 (unless replacing a main residence). It is also payable by all corporate purchasers.

For SDLT:

- From 22.11.17, first-time buyers purchasing a property of up to £500,000 pay a nil rate on the first £300,000 of purchase price.
- A rate of 15% may apply to the total purchase price, where the property is valued above £500,000 and purchased by a 'non-natural person' (e.g. a company).

Non-residential or mixed use property

SDLT - England & NI		LBTT - Scotland		LTT - Wales	
£000	Rate on band	£000	Rate on band	£000	Rate on band
Up to 150	Nil	Up to 150	Nil	Up to 150	Nil
150 – 250	2%	150 – 350	3.0%	150 – 250	1%
Over 250	5%	Over 350	4.5%	250 – 1,000	5%
				Over 1,000	6%

Value Added Tax

Standard rate (1/6 of VAT-inclusive price)	20%
Registration level from 1.4.2017	£85,000 per annum
Deregistration level from 1.4.2017	83,000 per annum

Flat Rate Scheme (FRS)

Annual taxable turnover to enter scheme	Up to £150,000
Must leave scheme if annual gross turnover	Exceeds £230,000

Inheritance Tax

	2018/19	2017/18
Nil rate band (NRB)*	£325,000	£325,000
NRB Residential enhancement (RNRB)†*	125,000	100,000
Tax rate on death**	40%	40%
Tax rate on lifetime transfers to most trusts	20%	20%

†RNRB is available for transfers of a main residence to direct descendants. It tapers away at the rate of £1 for every £2 of estate value above £2m.

*Up to 100% of the proportion of a deceased spouse's/civil partner's unused NRB and RNRB band may be claimed to increment the current NRB and RNRB when the survivor dies.

**Rate reduced to 36% if at least 10% of the relevant estate is left to charity.

Unlimited exemption for transfers between spouses/civil partners, except if UK domiciled transferor and foreign domiciled transferee, where maximum exemption £325,000.

100% Business Property Relief (BPR) for all shareholdings in qualifying unquoted trading companies, qualifying unincorporated trading businesses and certain farmland/buildings.

Reduced tax charge on gifts within 7 years before death

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

Annual exemptions for lifetime gifts include £3,000 per donor and £250 per recipient.

Key dates and deadlines

Self Assessment payment dates

		2018/19	2017/18
1st payment on account	31 January	2019	2018
2nd payment on account	31 July	2019	2018
Balancing payment	31 January	2020	2019
Capital Gains Tax*	31 January	2020	2019

*Non-residents with gains on UK residential property must pay CGT within 30 days of disposal unless already filing a self assessment tax return.

Other payment dates

Class 1A NIC	19 July	2019	2018
Class 1B NIC	19 October	2019	2018

Corporation tax is due 9 months and 1 day from the end of the accounting period, unless a 'large' company paying by quarterly instalments.

2017/18 Filing deadlines

Issue P60s to employees	31 May 2018
P11D, P11D(b)	6 July 2018
Self Assessment Tax Return (SATR) paper version	31 October 2018
Online SATR if outstanding tax to be included in 2019/20 PAYE code	30 December 2018
Online SATR	31 January 2019

You are advised to consult us before acting on any information contained herein.

Sheridan Accountancy Services Limited

Chartered Certified Accountants

HALSTEAD
78 BURDETT AVENUE
WESTCLIFF-ON-SEA
ESSEX
SS0 7JW

TEL: 01702 330666

FAX: 01702 335666

Email: info@s-a-s-ltd.co.uk

Web: www.s-a-s-ltd.co.uk



Carol S Sheridan FCCA FMAAT
Director