

Sheridan Accountancy Services Limited
Chartered Certified Accountants



Tax Rates

Income Tax

Allowances

	2019/20	2018/19
Personal Allowance (PA)*	£12,500	£11,850
Marriage Allowance†	1,250	1,190
Blind Person's Allowance	2,450	2,390
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*PA will be withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000.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 be no allowance given above £125,000 (2018/19: £123,700).

† 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

	2019/20	2018/19
Basic Rate Band (BRB)	£37,500	£34,500
Higher Rate Band (HRB)	37,501 – 150,000	34,501 – 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	2,000

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

Tax rates

	2019/20 & 2018/19		
	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 (2018/19: £2,000) 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.

*The 2019/20 tax rates and bands for Scottish Taxpayers have not yet been announced.

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	2019/20	2018/19
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	2019/20	2018/19
Lifetime Allowance (LA)	£1,055,000	£1,030,000
Annual Allowance (AA)*	40,000	40,000

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

*Usually tapered (down to a minimum of £10,000) when adjusted income exceeds £150,000.

State pension (per week)	2019/20	2018/19
Old state pension – Single person	£129.20	£125.95
– Married couple	206.65	201.45
New state pension†	168.60	164.35

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

Annual investment limits

	2019/20	2018/19
Individual Savings Account (ISA)		
– Overall limit	£20,000	£20,000
– Lifetime ISA	4,000	4,000
Junior ISA	4,368	4,260
EIS* – 30% relief	2,000,000	2,000,000
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

*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	£166pw	£166pw
Main rate* charged up to	962pw	no limit
2% rate on earnings above	962pw	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 £962pw.

**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	£3
Small profits threshold	£6,365

Class 3 (Voluntary)

Class 3: Flat rate per week	£15
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Class 4 (Self employed)

On profits £8,632 – £50,000	9.0%
On profits over £50,000	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	16%	20%
51-75	19%	23%
76-94	22%	26%
Above 94	Add 1% for every 5g/km	
Above 164 (petrol)/144 (diesel)	37% maximum	

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

Vans

Chargeable value of £3,430 (2018/19 £3,350) if private use is more than home-to-work. Electric vans £2,058 (2018/19 £1,340).

Fuel

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

Car: CO₂-based percentage from above table multiplied by £24,100 (2018/19 £23,400).

Van: £655 (2018/19 £633).

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	2019/20	2018/19
Individuals, estates	£12,000	£11,700
Most trusts	6,000	5,850

Tax rate

Individual (to basic rate limit)*	10%	10%
Individual (above basic rate limit)*	20%	20%
Trusts, estates*	20%	20%
Entrepreneurs' Relief (ER)**	10%	10%
Investors' Relief (IR)**	10%	N/A

*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.

**Lifetime limit of £10m of qualifying gains. Various conditions apply.

Corporation Tax

Year to	31.3.2020
Corporation Tax rate	19%

Research and development relief	From 1.1.2018
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SME enhanced expenditure deduction scheme*	130%
Large company R&D Expenditure Credit (RDEC) scheme**	12%

*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 allowances	Rate
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Annual Investment Allowance (AIA)		
– expenditure 1.1.19 - 31.12.20	£1,000,000	100%
– expenditure pre 1.1.19	200,000	100%
Energy/water-efficient equipment		100%
Writing down allowance: general pool (reducing balance)		18%
Writing down allowance: special rate pool (reducing balance)*		6%

Motor cars purchased	From	1.4.15	
	1.4.18	to 31.3.18	Allowance
	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	6% pa

*8% pre 1.4.19 (companies) and pre 6.4.19 (businesses subject to income tax).

Structures and buildings allowance

Expenditure from 29.10.18 (straight line basis)	2%
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Property Taxes

Annual Tax on Enveloped Dwellings (ATED)

ATED applies to residential properties valued at more than £500,000 owned by a corporate structure, unless used for a qualifying purpose.

Property value	Annual charge to	31.3.2020	31.3.2019
£0.5m – £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		232,350	226,950

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%

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:

– First-time buyers purchasing a property of up to £500,000 pay a nil rate on the first £300,000 of the 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

From 1.4.2019 most businesses above the registration threshold must comply with the Making Tax Digital requirements.

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

	2019/20	2018/19
Nil rate band (NRB)*	£325,000	£325,000
NRB Residential enhancement (RNRB)†*	150,000	125,000
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

		2019/20	2018/19
1st payment on account	31 January	2020	2019
2nd payment on account	31 July	2020	2019
Balancing payment	31 January	2021	2020
Capital Gains Tax*	31 January	2021	2020

*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	2020	2019
Class 1B NIC	19 October	2020	2019

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

2018/19 Filing deadlines

Issue P60s to employees	31 May 2019
P11D, P11D(b)	6 July 2019
Self Assessment Tax Return (SATR) paper version	31 October 2019
Online SATR if outstanding tax to be included in 2020/21 PAYE code	30 December 2019
Online SATR	31 January 2020

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

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Chartered Certified Accountants

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