

## Motor Car Benefits

The taxable benefit is a percentage of the car's list price. If a car is at least 15 years old and worth £15,000 or more, market value is adopted for list price.

For cars registered after 1997 with approved CO2 emissions the benefit is as follows:

CO2 emissions g/km	Petrol engine %	Diesel engine %
75 or less	5	8
76 – 94	10	13
95 – 99	11	14
per additional 5g/km, until 199 g/km	+1	+1
200 – 204	32	35
205 – 209	33	35
210 – 214	34	35
215 and over	35	35

The annual benefit charge will be 5% of the list price of cars with a CO2 emissions no greater than 75g per km up to 5 April 2015.

### Fuel Benefits (Cars & Vans)

Where the employer also provides fuel for private motoring in a car provided to an employee, a further benefit is taxable. For 2013/14, it is the 'car benefit percentage' of £21,100 (2012/13- £20,200). This figure is also subject to NIC for employers. Where fuel for private use of a van (not over 3,500kg) is provided, a benefit charge of £564 applies (2012/13 £550).

### Tax-free Mileage Allowances

First 10,000 miles	45p per mile
Balance	25p per mile

### Advisory fuel rates

Advisory fuel rates for company cars (per mile) from 1 March 2013 (Rates from 1 December 2012 in brackets)			
	LPG	Diesel	Petrol
0 – 1400cc	10p (11p)	13p (12p)	15p (15p)
1401cc – 2000cc	12p (13p)	15p (15p)	18p (18p)
over 2000cc	18p (18p)	18p (18p)	26p (26p)

### Motor Van Benefits

The annual benefit taxable for an employee's private use of a van (not over 3,500kg) is £3,000. This amount is reduced if the van is not used for the whole tax year or, if someone else also uses the van for private travel or if something is paid for using the van privately.

## National Insurance Contributions

	2013/14	2012/13
<b>Class 1 Employees' contributions (weekly)</b>		
On earnings up to £149 (2012/13 £146)	Nil	Nil
On earnings between £149 and £797 (2012/13 £146 and £817)	12%	12%
On earnings over £797 (2012/13 £817)	2%	2%
<b>Class 1 Employees' contracted-out rebate (weekly)</b>		
On earnings between £109 and £797 (2012/13 £107 and £817)	1.4%	1.4%
<b>Class 1 Married women's reduced rate (weekly)</b>		
On earnings between £149 and £797 (2012/13 £146 and £817)	5.85%	5.85%
On earnings over £797 (2012/13 £817)	2%	2%
<b>Class 1 Employers' contributions (weekly)</b>		
On earnings up to £148 (2012/13 £144)	Nil	Nil
On earnings over £148 (2012/13 £144)	13.8%	13.8%
<b>Employers' contracted-out rebate (weekly) - Salary-related schemes</b>		
On earnings between £109 and £797 (2012/13 £107 and £817)	3.4%	3.4%
<b>Class 1A</b>		
Employers' contributions on taxable benefits in kind	13.8%	13.8%
<b>Class 2</b>		
Self-employed contributions (weekly)	£2.70	£2.65
Small earnings exception (annual)	£5,725	£5,595
<b>Class 3</b>		
Voluntary contributions (weekly)	£13.55	£13.25
<b>Class 4 Self-employed (annual profit related)</b>		
Profits between £7,755 and £41,450 (2012/13 £7,605 and £42,475)	9%	9%
Profits over £41,450 (2012/13 £42,475)	2%	2%

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# Tax Facts 2013/2014

## Personal Allowances

Relief at individual's top tax rate		2013/14 £	2012/13 £
Personal	-born after 5 April 1948*	9,440	<i>8,105</i>
	-born between 5 April 1938 and 6 April 1948**	10,500	<i>10,500</i>
	-born before 6 April 1938**	10,660	<i>10,660</i>
Blind person's allowance		2,160	<i>2,100</i>
Married couple Relief at 10%***		7,915	<i>7,705</i>

\* reduced by £1 for every £2 of income over £100,000 (regardless of age), until completely removed.

\*\* the additional allowances for those born before 6 April 1948 are reduced by £1 for every £2 of income in excess of £26,100 (2012/13 £25,400), to a minimum allowance of £9,440 (2012/13 £8,105) for the personal allowance and £3,040 (2012/13 £2,960) for the married couple's allowance.

\*\*\*only available to those born before 6 April 1935.

## Income Tax Rates and Bands

(2012/13 figures in brackets)	Dividends	Interest	Other
The first £2,790 ( <i>£2,710</i> )	10%* ( <i>10%</i> )	10%* ( <i>10%</i> )	20% ( <i>20%</i> )
£2,791 - £32,010 ( <i>£2,711 - £34,370</i> )	10% ( <i>10%</i> )	20% ( <i>20%</i> )	20% ( <i>20%</i> )
£32,011 - £150,000 ( <i>£34,371 - £150,000</i> )	32.5% ( <i>32.5%</i> )	40% ( <i>40%</i> )	40% ( <i>40%</i> )
Over £150,000 ( <i>Over £150,000</i> )	37.5% ( <i>42.5%</i> )	45% ( <i>50%</i> )	45% ( <i>50%</i> )

\*Dividends are treated as the top slice of total income, interest as the next slice. The 10% rate band applies to savings (interest and dividends) income only. If non-savings income is in excess of £2,790 (*2012/13 £2,710*) the 10% rate band does not apply.

**Discretionary and Accumulation & Maintenance Trusts:** 37.5% on dividends (42.5%), otherwise 45% (50%), save that the first £1,000 (*2012/13 £1,000*) income is taxed at 10% or 20% according to its nature, (that band being shared between trusts with the same settlor), and trusts for the most vulnerable may elect that the trust income is taxed as the beneficiary's.

**Construction industry sub-contractors:** tax deduction on account 20%, or 30% if the sub-contractor is unregistered.

## Pension Contributions

**Income tax relief** is available on all pension contributions made by an individual under 75 up to a maximum of earnings or, if more £3,600. Employees are not taxable on their employer's contributions, or on benefits accrued under a defined benefit pension scheme as a benefit. But a tax charge will arise at an individual's top rate if total pension inputs (i.e. including their own contributions) in the pension input periods ending in the tax year exceed the annual limit. For 2013/14 the limit is £50,000 (*2012/13 £50,000*); increased by any amounts by which pension inputs fell short of £50,000 in the 3 preceding years (if the individual was a member of a registered pension scheme in that year).

## Capital Gains Tax

Annual exemption	2013/14	2012/13
Individuals, personal representatives* and certain trusts**	£10,900	<i>£10,600</i>
Other Trusts ***	£5,450	<i>£5,300</i>

\* for year of death & following 2 years.

\*\* for persons mentally disabled or in receipt of attendance allowance or disability living allowance. divided by the number of such trusts created after 9 March 1981 by the same settlor, with a minimum of £1,090 (*2012/13 £1,060*).

\*\*\* divided by the number of trusts created after 6 June 1978 by the same settlor, with a minimum of £1,090 (*2012/13 £1,060*).

**Rates of tax**

Gains, other than those eligible for entrepreneurs' relief, are taxed at 28% unless – in the case of individuals, the total of taxable income and gains (net of capital losses and the annual exemption) is less than the basic rate band, in which case gains are taxed at 18%.

Gains eligible for entrepreneurs' relief are taxed at 10%.

#### Entrepreneurs' Relief

Reduced 10% rate on gains up to the lifetime limit (£10m since 5 April 2011) on qualifying disposals by an individual or by trustees.

**Qualifying disposals by an individual:**

- a disposal of the whole or part of a business (defined as a trade, profession or vocation), including an interest as a partner, if the business is owned by the individual throughout the 12 months ending with the disposal;
- a disposal of assets in use for the purposes of the business if the individual owned the business throughout the 12 months ending when the business ceases to be carried on and if the disposal is within 3 years of that cessation; or
- a disposal of shares in a trading company or the holding company of a trading group if, either
  - throughout the 12 months ending with the disposal, the individual holds at least 5% of the ordinary share capital and at least 5% of the voting rights and is a director or employee of that company (or of a member company of that trading group), or
  - those conditions were fulfilled for the 12 months ending when the company ceased to be a trading company or the holding company of a trading group and the disposal is within 3 years of that cessation.

**Qualifying disposals by trustees:**

- a disposal of assets in use for the purposes of a business carried on by an individual with an interest in possession in those trust assets or
- a disposal of shares in a trading company or the holding company of a trading group if, throughout the 12 months ending not more than 3 years before the disposal, an individual with an interest in possession in those trust assets personally holds at least 5% of the ordinary share capital and at least 5% of the voting rights and is a director or employee of that company (or of a member company of that trading group).

## Inheritance Tax

Rates at Death	From 6 April 13	<i>From 6 April 12</i>
Nil	Up to £325,000*	<i>Up to £325,000*</i>
40%**	Over £325,000*	<i>Over £325,000*</i>

\* the unsed proportion of a deceased spouse or civil partner's nil-rate band can be claimed on the surviving spouse or civil partner's death.

\*\* a reduced 36% rate of IHT will be available where 10% or more of the estate net of reliefs, exemptions and the nil rate band is left to charity.

Lifetime chargeable transfers are charged at 20%.

**Exemptions**

- Transfers between spouses or civil partners are exempt except when the transferor is UK domiciled and the transferee is not, when the exemption over a lifetime is £325,000, unless the non-domiciled recipient elects to be treated as UK domiciled.

- Business property relief is 100% for shares in most unquoted trading companies and for most unincorporated trading businesses.

- Agricultural property relief is 100% for qualifying holdings of agricultural land.

- Annual exemption for lifetime gifts is £3,000.

- Small gifts annual exemption per donee is £250.

- Regular gifts out of income are exempt provided that the donor can maintain his or her usual standard of living without resorting to capital.

Reduced tax charge on transfers within seven years of death					
Years between gift and death	0 - 3	3 - 4	4 - 5	5 - 6	6 - 7
Percentage of tax chargeable on death	100%	80%	60%	40%	20%

## Stamp Duty Land Tax

Interests in land and in partnerships (to the extent of their interests in land)		
Consideration*	Residential	Non-residential
£0 - £125,000	nil	nil
£125,001 - £150,000	1%	nil
£150,000 - £250,000	1%	1%
£250,001 - £500,000	3%	3%
£500,001 - £1 million	4%	4%
£1 million - £2 million	5%	4%
Over £2 million	7% or 15%**	4%
Net present value of lease rentals***	1%	1%

\* or market value if higher on certain transfers of land to a connected company and in connection with partnerships.

\*\* 15% when bought by certain non-natural persons.

\*\*\*to the extent it exceeds £150,000 (non-residential) or £125,000 (residential).

## Corporation Tax

Rates and bands	Year to 31.03.2014	<i>Year to 31.03.2013</i>
Main rate *	23%	<i>24%</i>
Small profits rate (excludes 'close investment companies')	20%	<i>20%</i>
Small profits limit**	£300,000	<i>£300,000</i>
Small profits marginal band**	£300,000 - £1.5m	<i>£300,000 - £1.5m</i>
Marginal rate	23.75%	<i>25.00%</i>

\* 21% from 1 April 2014, 20% from 1 April 2015.

\*\* shared among active associated companies.

For OIECs and authorised unit trusts the applicable corporation tax rate is 20%

## Value Added Tax

	2013/14	2012/13
Standard Rate	20%	<i>20%</i>
Registration level	£79,000	<i>£77,000</i>
De-registration level	£77,000	<i>£75,000</i>

#### VAT on Private Fuel

For the first VAT accounting period starting after 30 April 2013 the amount of VAT is dependent on the CO2 emissions band, and ranges from £168 per qtr. if 120g/km or less to £590 if 225g/km or more.

## Main Capital Allowances

Plant and machinery generally (excluding cars)	2013/14	2012/13
Annual investment allowance (up to £250,000)*	100%	<i>100%</i>
Annual writing-down allowance	18%	<i>18%</i>
Integral features and cars with CO2 emissions over 160 g/km	8%	<i>8%</i>

\* the allowance is shared by companies in a group (*£25,000 2012/13*).