

Personal Allowances

	2018/19 £	2017/18 £
Personal Allowance ⁽¹⁾	11,850	11,500
Blind person's allowance	2,390	2,320
Savings allowance ⁽²⁾ - 20% tax payer	1,000	1,000
Savings allowance ⁽²⁾ - 40% tax payer	500	500
Relief at 10%		
Married couple's allowance if born before 6 April 1935 and either is aged over 75 ⁽³⁾	8,695	8,445
Relief at 20%		
Transferable marriage allowance ⁽⁴⁾	1,190	1,150

1. Reduced £1 for every £2 of income in excess of £100,000 until it is completely removed.
2. Limited to the excess over £5,000 savings income and if, ignoring that allowance, the individual has no income in the next tax band.
3. Reduced to a minimum of £3,360 (£3,260) by £1 for every £2 income exceeds £28,900 (£28,000).
4. For married couples and civil partners not entitled to the married couple's allowance if neither has income liable at a rate higher than basic rate.

Income Tax Rates and Bands

(2017/18 figures in brackets)	Dividends	Savings	Other
Starting rate band for savings ⁽¹⁾		£5,000 @ 0%	
Dividend nil rate band (£5,000)	£2,000 @ 0%		
Up to £34,500 (£5,001 - £33,500) ⁽²⁾	7.5% (7.5%)	20% (20%)	20% (20%)
£34,501 - £150,000 (£33,501 - £150,000)	32.5% (32.5%)	40% (40%)	40% (40%)
Over £150,000 (Over £150,000)	38.1% (38.1%)	45% (45%)	45% (45%)

Dividends are treated as the top slice of total income, then interest and other savings income. Scottish taxpayers pay the Scottish rates of tax on income other than savings income and dividends, and their tax bands differ.

1. Reduced by non-savings income in excess of the personal allowance.
2. Extended by gift aid and pension contributions paid net of tax.

Discretionary and other relevant property Trusts: 38.1% on dividends (38.1%), otherwise 45% (45%), save that the first £1,000 (2017/18 £1,000) income is taxed at 7.5% 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 subcontractor is unregistered.

Pension Contributions

Annual 'input' limit (contributions and benefits accrued)	2018/19	2017/18
If income does not exceed £150,000	£40,000	£40,000
Reduction in limit if the income exceeds £150,000 but not £210,000	£1 for every £2 excess income	£1 for every £2 excess income
If income exceeds £210,000	£10,000	£10,000
If in draw down	£4,000	£4,000
Lifetime allowance		
Limit	£1,030,000	£1,000,000

Capital Gains Tax

Annual exemption	2018/19	2017/18
Individuals, personal representatives ⁽¹⁾ and certain trusts ⁽²⁾	£11,700	£11,300
Other Trusts ⁽³⁾	£5,850	£5,650

1. For year of death & following 2 years.
2. 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 £1,170 (2017/18 £1,130).
3. Divided by the number of trusts created after 6 June 1978 by the same settlor, with a minimum of £1,170 (2017/18 £1,130).

Rates of tax

Gains on residential property (including ATED-related gains) and carried interest gains are charged at 28% (18% if within an individual's unused basic rate band).

Other gains of individuals, trustees, personal representatives and non-resident companies (other than those eligible for entrepreneurs' or investors' relief) are taxed at 20% (10% if within an individual's unused basic rate band).

Annual Tax on Enveloped Dwellings

Annual Tax on Enveloped Dwellings (ATED)	2018/19	2017/18
More than £500,000 but not over £1 million	£3,600	£3,500
More than £1 but not over £2 million	£7,250	£7,050
More than £2 but not over £5 million	£24,250	£23,550
More than £5 but not over £10 million	£56,550	£54,950
More than £10 but not over £20 million	£113,400	£110,100
More than £20 million	£226,950	£220,350

Inheritance Tax

Rates at Death ⁽¹⁾	From 6 April 18	From 6 April 17
Nil	Up to £325,000	Up to £325,000
Nil - residence nil rate band ⁽²⁾	Further £125,000	Further £100,000
Excess above nil rate band ⁽³⁾	40%	40%

- 20% on lifetime transfers in excess of £325,000 in the previous seven year period.
- For bequests of a main residence to direct descendants. The relief is reduced by £1 for every £2 the estate exceeds £2 million.
- A reduced 36% rate of IHT is available where 10% or more of the estate net of reliefs, exemptions and the nil rate band is left to charity.

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%

Value Added Tax

	2018/19	2017/18
Standard Rate	20%	20%
Registration level	£85,000	£85,000
De-registration level	£83,000	£83,000

VAT on Private Fuel The amount of VAT is dependent on the CO2 emissions band, and ranges from £140 per qtr. if 120g/km or less, to £491 if 225g/km or more.

Capital Allowances

Plant and machinery generally (excluding cars)	2018/19	2017/18
Annual investment allowance (up to £200,000) ⁽¹⁾	100%	100%
Annual writing-down allowance	18%	18%
Integral features and cars with CO2 emissions over 110 g/km	8%	8% ⁽²⁾
Electric charge-point equipment	100%	100%
Cars with Co2 emissions under 50 g/km	100%	100% ⁽³⁾

- Shared by companies in a group.
- Applied to cars with CO2 over 130 g/km.
- Applied to cars with CO2 under 75 g/km.

Corporation Tax

Rates and bands	Year to 31.03.2019	Year to 31.03.2018
Main rate ⁽¹⁾	19%	19%

1. Excludes oil extraction and oil rights

Stamp Duty Land Tax (England and Northern Ireland)

Transfers for consideration ⁽¹⁾	Rate	
Non-residential:		
Lease rents net present value		
If value exceeds £150,000 but not £5m	1%	
Balance above £5m	2%	
Other consideration:		
£0 - £150,000	Nil	
Next £100,000	2%	
Over £250,000	5%	
Residential:		
A dwelling over £500,000 bought by a 'non-natural' person	15% (subject to exemptions)	
Other residential property		
First time buyers from 22 November 2017 under £500,000		
£0 - £300,000	0%	
£300,001 - £500,000	5%	
Lease rents net present value	First property	Other property ⁽²⁾
If over £125,000	1%	1%
Other consideration:		
First £40,000	Nil	Nil
Next £85,000 (£40,001 - £125,000)	Nil	3%
Next £125,000 (£125,001 - £250,000)	2%	5%
Next £675,000 (£250,001 - £925,000)	5%	8%
Next £575,000 (£925,001 - £1,500,000)	10%	13%
Balance (£1,500,001 - and above)	12%	15%

1. SDLT applies to the market value on certain transfers to a connected company and in connection with certain interests in partnerships if this is more than any actual consideration.
2. 3% addition on a new main residence may be reclaimed if former residence sold within 36 months.

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:

CO ₂ emissions g/km	Petrol engine %	Diesel engine %
50 or less	13	17
51 - 75	16	20
76 - 94	19	23
per additional 5g/km, until 159 g/km	+1	+1
160 - 164	33	37
165 - 169	34	37
170 - 174	35	37
175 - 179	36	37
180 and above	37	37

Motor Van Benefits

The annual benefit taxable for an employee's private use of a van (not over 3,500kg) is £3,350.

(£3,230) 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.

Fuel Benefits (Cars & Vans)

Where the employer also provides fuel for private motoring in a company car, a further benefit is taxable. For 2018/19, it is the 'car benefit percentage' of £23,400 (2017/18 - £22,600). 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 £633 applies (2017/18 £610).

Tax-free Mileage Allowances

First 10,000 miles per annum 45p per mile, 25p per mile thereafter.

Advisory fuel rates for company cars (from 1 March 2018)

	LPG	Petrol	Diesel
1400cc or less	7p	11p	9p
1401cc - 1600cc	8p	14p	9p
1601cc - 2000cc	8p	14p	11p
Over 2000cc	13p	22p	13p

These figures are per mile and are reviewed quarterly – see www.hmrc.gov.uk/rates - select rates and thresholds for employers: 2018/19

National Insurance Contributions

	2018/19	2017/18
Class 1		
Employees' contributions (monthly)		
On earnings up to £702 (<i>2017/18 £680</i>)	Nil	<i>Nil</i>
On earnings between £702 and £3,865 (<i>2017/18 £680 and £3,753</i>)	12%	<i>12%</i>
On earnings over £3,865 (<i>2017/18 £3,753</i>)	2%	<i>2%</i>
Married women's reduced rate (monthly)		
On earnings between £702 and £3,865 (<i>2017/18 £762 and £3,753</i>)	5.85%	<i>5.85%</i>
On earnings over £3,865 (<i>2017/18 £3,753</i>)	2%	<i>2%</i>
Employers' contributions (monthly)		
On earnings up to £702 (<i>2017/18 £680</i>)	Nil	<i>Nil</i>
Employees under 21 on earnings under £3,865 (<i>2017/18 £3,753</i>)	Nil	<i>Nil</i>
Apprentices over 21 but under 25 on earnings over £702 and under £3,865	Nil	<i>Nil</i>
Other earnings over £702 (<i>2017/18 £680</i>)	13.8%	<i>13.8%</i>
Class 1A		
Employers' contributions on taxable benefits in kind	13.8%	<i>13.8%</i>
Class 2		
Self-employed contributions (monthly)	£12.78	<i>£12.35</i>
Small earnings exception (annual)	£6,205	<i>£6,025</i>
Class 3		
Voluntary contributions (monthly)	£63.48	<i>£61.75</i>
Class 4 Self-employed (annual profit related)		
On profits between £8,424 and £46,350 (<i>2017/18 £8,164 and £45,000</i>)	9%	<i>9%</i>
On profits over £46,350 (<i>2017/18 £45,000</i>)	2%	<i>2%</i>
Employment allowance (annual)		
Employers' NIC allowance	£3,000	<i>£3,000</i>