

# Tax Facts

## 2016/2017

## Personal Allowances

Relief at individual's top tax rate		2016/17 £	2015/16 £
Personal	-born between 5 April 1938 (1)	11,000	10,600
	-born before 6 April 1938	11,000	10,660 (2)
Blind person's allowance		2,290	2,290
Relief at 10%			
Married couple's allowance if born before 6 April 1935 and either is aged over 75 (3)		8,355	8,355
Relief at 20%			
Transferable marriage allowance (4)		1,100	1,060
Savings allowance (5)		1,000	N/A
Savings allowance (6)		500	N/A

- 1 Reduced £1 for every £2 of income in excess of £100,000 (regardless of age) until it is completely removed.
- 2 Reduced to a minimum of £10,600 by £1 for every £2 income exceeds £27,700.
- 3 Reduced to a minimum of £3,220 by £1 for every £2 income exceeds £27,700.
- 4 For married couples and civil partners not entitled to the married couple's allowance if the transferee has only income liable at the basic rate, the dividend ordinary rate or savings starting rate.
- 5 Limited to the excess over £5,000 savings income and if, ignoring that allowance, the individual has no 'additional rate' income.
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## Income Tax Rates and Bands

(2015/16 figures in brackets)	Dividends	Interest	Other
The first £5,000	0%* (0%)	0%* (0%)	20% (20%)
£5,001 - £32,000 (£5,001 - £31,785)	7.5% (0%)	20% (20%)	20% (20%)
£32,001 - £150,000 (£31,786 - £150,000)	32.5% (25)	40% (40%)	40% (40%)
Over £150,000 (Over £150,000)	38.1% (30.6%)	45% (45%)	45% (45%)

The 0%, £5,000 band on savings income is reduced by non-savings income in excess of allowances and reliefs. Dividends are treated as the top slice of total income, then interest and other savings income.

**Discretionary and Accumulation & Maintenance Trusts:** 38.1% on dividends (30.6%), otherwise 45% (45%), save that the first £1,000 (2015/16 £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)	2016/17	2015/16
If income does not exceed £150,000	£40,000	
Reduction in limit if the income exceeds £150,000 but not £210,000	£1 for every £2 excess income	
If income exceeds £210,000	£10,000	
Limit for 6 April to 8 July 2015		£40,000
Limit for 9 July to 5 April 2016		£40,000

## Capital Gains Tax

Annual exemption	2016/17	2015/16
Individuals, personal representatives* and certain trusts**	£11,100	£11,100
Other Trusts ***	£5,550	£5,550

\* 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 £1,110 (2015/16 £1,110).

\*\*\* divided by the number of trusts created after 6 June 1978 by the same settlor, with a minimum of £1,110 (2015/16 £1,110).

### Rates of tax

Gains of individuals, trustees, personal representatives, trustees (and ATED-related gains of companies), other than those eligible for entrepreneurs' relief, are taxed at 28%; save that, in the case of individuals, gains equal to any unused basic rate band are taxed at 18%.

Entrepreneurs' gains up to a lifetime maximum of £10 million are taxed at 10%.

Eligible gains are those realised by individuals and in some instances trustees on disposal of interests in a business (trade, profession or vocation), assets used for such a business, or shares in a trading company of which the individual is at least a 5% shareholder and employee or director, subject to a minimum ownership period.

## Annual Tax on Enveloped Dwellings

Annual Tax on Enveloped Dwellings (ATED)	2016/17	2015/16
More than £500,000 but not over £1 million	£3,500	Nil
More than £1 but not over £2 million	£7,000	£7,000
More than £2 but not over £5 million	£23,350	£23,350
More than £5 but not over £10 million	£54,450	£54,450
More than £10 but not over £20 million	£109,050	£109,050
More than £20 million	£218,200	£218,200

## Inheritance Tax

Rates at Death	From 6 April 16	From 6 April 15
Nil	Up to £325,000*	Up to £325,000*
40%**	Over £325,000*	Over £325,000*

\* the unused 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%.

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%

### 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.

## Corporation Tax

Rates and bands	Year to 31.03.2017	Year to 31.03.2016
Main rate	20%	20%

## Main Capital Allowances

Plant and machinery generally (excluding cars)	2016/17	2015/16
Annual investment allowance (up to £200,000)*	100%	100%
Annual writing-down allowance	18%	18%
Integral features and cars with CO2 emissions over 160 g/km	8%	8%

\* Shared by companies in a group (£500,000 2015/16).

## Stamp Duty Land Tax (except Scotland)

Transfers for consideration*	Rate	
<b>Non-residential:</b>	From 17 March 2016**	
Lease rents net present value		
If value exceeds £150,000 but not £5m	1%	
If value exceeds £5m	2%	
Other consideration:		
£0 - £150,000	Nil	
Next £100,000	2%	
Over £250,000	5%	
<b>Residential:</b>	From 20 March 2014	
Single dwelling bought by a 'non-natural person' if over £500,000	15% (subject to a number of exemptions)	
Other residential property (exchange after 25 November 2015)	From 1 April 2016	
Lease rents net present value	Only residence	Other property***
If over £40,000 but not over £125,000	Nil	3%
If over £125,000	1%	4%
Other consideration:		
First £125,000	Nil	0%/3%****
Next £125,000	2%	5%
Next £675,000	5%	8%
Next £575,000	10%	13%
Balance of consideration	12%	15%

\* SDLT applies to the market value on certain transfers to a connected company and in connection with interests in partnerships if this is more than any actual consideration.

\*\* If contracts exchanged but not completed before 17 March 2016 purchasers may choose to apply the rates previously applicable.

\*\*\* 3% addition may be reclaimed if disposal of main residence within 36 months.

\*\*\*\* 3% if total consideration is over £40,000 but not over £125,000

## Value Added Tax

	2016/17	2015/16
Standard Rate	20%	20%
Registration level	£83,000	£82,000
De-registration level	£81,000	£80,000

**VAT on Private Fuel** The amount of VAT is dependent on the CO2 emissions band, and ranges from £116 per qtr. if 120g/km or less to £408 if 225g/km or more.

## 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 %
50 or less	7	7
51 - 75	11	11
76 - 94	15	18
95 - 99	16	19
per additional 5g/km, until 209 g/km	+1	+1
185 - 189	34	37
190 - 194	35	37
195 - 199	36	37
200 and above	37	37

## 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 2016/17, it is the 'car benefit percentage' of £22,200 (2015/16 - £22,100). 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 £598 applies (2015/16 £594).

## 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 2016)

	LPG	Petrol	Diesel
1400cc or less	7p	10p	8p
1401cc - 1600cc	8p	12p	8p
1601cc - 2000cc	8p	12p	10p
Over 2000cc	13p	19p	11p

These figures are per mile and are reviewed quarterly – see [www.hmrc.gov.uk/rates](http://www.hmrc.gov.uk/rates) - select travel

## Motor Van Benefits

The annual benefit taxable for an employee's private use of a van (not over 3,500kg) is £3,170. 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

	2016/17	2015/16
<b>Class 1 Employees' contributions (monthly)</b>		
On earnings up to £672 ( <i>2015/16 £672</i> )	Nil	<i>Nil</i>
On earnings between £672 and £3,583 ( <i>2015/16 £672 and £3,532</i> )	12%	<i>12%</i>
On earnings over £3,583 ( <i>2015/16 £3,532</i> )	2%	<i>2%</i>
<b>Employees' contracted-out rebate (monthly)</b>		
On earnings between £485 and £3,532	Nil	<i>Nil</i>
<b>Married women's reduced rate (monthly)</b>		
On earnings between £672 and £3,532 ( <i>2015/16 £672 and £3,532</i> )	5.85%	<i>5.85%</i>
On earnings over £3,532 ( <i>2015/16 £3,532</i> )	2%	<i>2%</i>
<b>Employers' contributions (monthly)</b>		
On earnings up to £676 ( <i>2015/16 £676</i> )	Nil	<i>Nil</i>
Employees under 21 on earnings under £3,583 ( <i>2015/16 £3,532</i> )	Nil	<i>Nil</i>
Apprentices over 21 but under 25 on earnings over £676 and under £3,583	Nil	<i>13.8%</i>
On earnings over £676 ( <i>2015/16 £676</i> )	13.8%	<i>13.8%</i>
<b>Employers' contracted-out rebate (monthly) - Salary-related schemes</b>		
On earnings between £485 and £3,532 ( <i>2015/16 £481 and £3,488</i> )	Nil	<i>3.4%</i>
<b>Class 1A</b>		
Employers' contributions on taxable benefits in kind	13.8%	<i>13.8%</i>
<b>Class 2</b>		
Self-employed contributions (monthly)	£12.13	<i>£12.13</i>
Small earnings exception (annual)	£5,965	<i>£5,965</i>
<b>Class 3</b>		
Voluntary contributions (monthly)	£61.10	<i>£61.10</i>
<b>Class 4 Self-employed (annual profit related)</b>		
On profits between £8,060 and £43,000 ( <i>2015/16 £8,060 and £42,385</i> )	9%	<i>9%</i>
On profits over £43,000 ( <i>2015/16 £42,385</i> )	2%	<i>2%</i>
<b>Employment allowance (annual)</b>		
Employers' NIC allowance	£3,000	<i>£2,000</i>

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