

Tax Facts 2019/2020

Personal Allowances

	2019/20 £	2018/19 £
Personal Allowance ⁽¹⁾	12,500	11,850
Blind person's allowance	2,450	2,390
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⁾	8,915	8,695
Relief at 20%		
Transferable marriage allowance ⁽⁴⁾	1,250	1,190

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 £3,450 (£3,360) by £1 for every £2 income exceeds £29,600 (£28,900).
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

<i>(2018/19 figures in brackets)</i>	Dividends	Savings	Other
Starting rate band for savings ⁽¹⁾		£5,000 @ 0%	
Dividend nil rate band (£2,000)	£2,000 @ 0%		
Up to £37,500 (£5,001 - £34,500) ⁽²⁾	7.5% (7.5%)	20% (20%)	20% (20%)
£37,501 - £150,000 (£34,501 - £150,000) ⁽²⁾	32.5% (32.5%)	40% (40%)	40% (40%)
Over £150,000 (Over £150,000) ⁽²⁾	38.1% (38.1%)	45% (45%)	45% (45%)

Dividends are treated as the top slice of total income, then interest and other savings income. Rates and bands differ for Scottish and Welsh taxpayers.

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

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

Discretionary trust income: Dividends 38.1%, other income 45%. Except that the first £1,000 of income is taxed like other trust income (£1,000 limit divided between trusts made by the same settlor, with a £200 minimum).

Other trust income: Dividends 7.5%, other income 20%

Certain capital receipts: 38.1% or 45% according to their nature

Trustees for a vulnerable beneficiary may elect that the trust income is taxed as though it is the beneficiary's.

Pension Contributions

Annual 'input' limit (contributions and benefits accrued)	2019/20	2018/19
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	£1,055,000	£1,030,000

Capital Gains Tax

Annual exemption	2019/20	2018/19
Individuals, personal representatives ⁽¹⁾ and certain trusts ⁽²⁾	£12,000	£11,700
Other Trusts ⁽³⁾	£6,000	£5,850

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 £1,200 (2018/19 £1,170).
3. Divided by the number of trusts created after 6 June 1978 by the same settlor, with a minimum of £1,200 (2018/19 £1,170).

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)	2019/20	2018/19
More than £500,000 but not over £1 million	£3,650	£3,600
More than £1 but not over £2 million	£7,400	£7,250
More than £2 but not over £5 million	£24,800	£24,250
More than £5 but not over £10 million	£57,900	£56,550
More than £10 but not over £20 million	£116,100	£113,400
More than £20 million	£232,350	£226,950

Inheritance Tax

Rates at Death ⁽¹⁾	2019/20	2018/19
Nil	Up to £325,000	<i>Up to £325,000</i>
Nil - residence nil rate band ⁽²⁾	Further £150,000	<i>Further £125,000</i>
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 bands 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

	2019/20	2018/19
Standard Rate	20%	<i>20%</i>
Registration level	£85,000	<i>£85,000</i>
De-registration level	£83,000	<i>£83,000</i>

VAT on Private Fuel The amount of VAT is dependent on the CO2 emissions, 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)	2019/20	2018/19
Annual investment allowance (up to £1,000,000) ⁽¹⁾	100%	<i>100%</i>
Annual writing-down allowance	18%	<i>18%</i>
Annual structures and buildings allowance	2%	<i>2%⁽²⁾</i>
Integral features and cars with CO2 emissions over 110 g/km	8%	<i>8%⁽³⁾</i>
Cars with Co2 emissions under 50 g/km	100%	<i>100%⁽⁴⁾</i>
Electric charge-point equipment	100%	<i>100%</i>

- Shared by companies in a group. £200,000 before 1 January 2019 and after 31 December 2020.
- On expenditure after 28th October 2018.
- 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 31.03.2020	Year to 31.03.2019
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/3% ⁽³⁾
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. and all residential property bought by companies 3% addition on a new main residence may be reclaimed if former residence sold within 36 months.
3. Nil if the total consideration is under £40,000, otherwise 3%.

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 for 2019/20 is as follows:

CO ₂ emissions g/km	Petrol engine %	Diesel engine %
50 or less	16	20
51 - 75	19	23
76 - 94	22	26
per additional 5g/km, until 144 g/km	+1	+1
145 - 149	33	37
150 - 154	34	37
155 - 159	35	37
160 - 164	36	37
165 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 £3,430. (2018/19 £3,350). 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 2019/20, it is the 'car benefit percentage' of £24,100 (2018/19 - £23,400). 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 £655 applies (2018/19 £633).

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 2019)

	LPG	Petrol	Diesel
1400cc or less	7p	11p	10p
1401cc - 1600cc	8p	14p	10p
1601cc - 2000cc	8p	14p	11p
Over 2000cc	13p	21p	13p

These figures are per mile and are reviewed quarterly – see www.gov.uk/government/publications/advisory-fuel-rates.

National Insurance Contributions

	2019/20	2018/19
Class 1 (2018/19 thresholds in brackets)		
Employees' contributions (monthly)		
On earnings up to £719 (£702)	Nil	Nil
On earnings over £719 up to £4,167 (£702 and £3,865)	12%	12%
On earnings over £4,167 (£3,865)	2%	2%
Married women's reduced rate (monthly)		
On earnings over £719 up to £4,167 (£702 and £3,865)	5.85%	5.85%
On earnings over £4,167 (£3,865)	2%	2%
Employers' contributions (monthly)		
On earnings up to £719 (£702)	Nil	Nil
Employees under 21 on earnings under £4,167 (£3,865)	Nil	Nil
Apprentices over 21 but under 25 on earnings over £719 and under £4,167	Nil	Nil
Other earnings over £719 (£702)	13.8%	13.8%
Class 1A		
Employers' contributions on taxable benefits in kind	13.8%	13.8%
Class 2		
Self-employed contributions (monthly)	£13.00	£12.78
Small earnings exception (annual)	£6,365	£6,205
Class 3		
Voluntary contributions (monthly)	£65.00	£63.48
Class 4 Self-employed (annual profit related)		
On profits between £8,424 and £50,000 (2018/19 £8,424 and £46,350)	9%	9%
On profits over £50,000 (2018/19 £46,350)	2%	2%
Employment allowance (annual)		
Employers' NIC allowance	£3,000	£3,000

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