

TAX RATES

2009-2010

Cumberland Ellis

Inheritance Tax

Transfers made after 5 April 2009

Death Rates

Gross transfer	Rate %
Up to £325,000	Nil
Over £325,000	40

Chargeable lifetime transfers are initially charged at 20%. Annual gifts of up to £3,000 per donor are exempt.

Stamp Taxes

Shares and marketable securities	0.5% ¹
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¹ Rounded up to the nearest multiple of £5

Transfers of land and buildings (consideration paid)

Residential	Non-residential	Rate ²
£175,000 or less*	£150,000 or less	Nil
£175,001-250,000	£150,001-250,000	1%
£250,001-£500,000	£250,001-£500,000	3%
Over £500,000	Over £500,000	4%

² Different rates apply for residential land in designated disadvantaged areas up to 31/12/2009 £150,000 thereafter
*The higher rate applies until 31 December 2009, then £150,000 thereafter.

Lease duty

Residential	Non-residential	Rate
Up to £175,000	Up to £150,000	Nil
Over £175,000	Over £150,000	1%

Premiums

Duty on premiums is the same as for transfers of land (but special rates apply where rent exceeds £600 annually).

Value Added Tax

Standard rate to 31/12/2009	15%
Standard rate from 1/01/2010	17.5%
Lower rate	5%
Registration level from 1 May 2009	£68,000 pa
Deregistration limit from 1 May 2009	£66,000 pa

VAT car fuel scale charges from 1 May 2009

On fuel provided for private use VAT is payable at various rates dependant upon CO₂ emission levels. Rates are set for monthly, three monthly or yearly VAT accounting periods. The monthly rate starts at £42 if CO₂ 120 g/rm or less to £147 if CO₂ is 235 g/rm or more.

Capital Allowances

Agricultural buildings (straight-line basis)	Rate%
Writing-down allowance	2
Dredging (straight-line basis)	
Writing-down allowance	4
Business premises renovation	
Initial allowance*	100
Flat conversions	
Initial allowance*	100
*Writing-down allowance for unrelieved expenditure (straight-line basis)	
	20
Industrial buildings (straight-line basis)	
Writing-down allowance	2
Expenditure on buildings (including commercial buildings) on sites in enterprise zones qualifies for initial allowance of 100% if contracted for within 10 years of inclusion of site in zone.	
Know-how (reducing balance basis)	
Writing-down allowance	25
Mineral extraction (reducing balance basis)	
<i>Writing-down allowances</i>	
General	25
Acquisition of mineral asset	10
Patent rights (reducing balance basis)	
Writing-down allowance	25
Plant and machinery (reducing balance basis)	
<i>First-year allowances</i>	
Expenditure up to £50,000	100
Expenditure over £50,000	40
Energy-saving or environmentally beneficial assets	100
New low-emission cars	100
Writing-down allowances	
General	20
Long-life assets expenditure up to £50,000	100
Expenditure over £50,000	10
Research and development	
Allowance	130 or 175

Registered Pension Schemes

Individual contributions 2009/10

Maximum tax-relievable contributions are the higher of

- 100% of taxable UK earnings, or
- £3,600 (provided the scheme operates tax relief at source).

Annual allowance

2009/10 £245,000

Lifetime allowance

2009/10 £1,750,000

Tax Credits

Annual amounts 2009/10	£
Child tax credit	
Family element	545
baby addition	545
Child element (for each child)	2235
Addition for disabled child	2670
Severe disabled child enhancement	1075
Working tax credit	
Basic element	1890
Lone parent and couple element	1860
30 hour element	775
Disability element	2530
Severe disability element	1075
50 plus return to work payment (16 to 29 hours)	1,300
(30 or more hours)	1935
Childcare element (up to 80% of costs)	Weekly
maximum eligible cost (1 child)	175
maximum eligible cost (2 or more)	300
Income thresholds	
First income threshold	6420
eligible for child tax credit only	16,040
First withdrawal rate	39%
Second income threshold	50,000
Second withdrawal rate	6.67%
Income disregard	25,000

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Income Tax Allowances

	2009/10	2008/9
Personal allowance	£	£
general	6475	6035
aged 65 to 74 in year of assessment	9490	9030
aged 75 or over in year of assessment	9640	9180
age allowance income limit	22,900	21,800
minimum where income exceeds limit	6475	6035
Married couple's allowance* (relief at 10%) either partner aged under 75 and born before 6 April 1935 either partner aged 75 or over in year of assessment	N/A	6535
age allowance income limit	6965	6625
minimum where income exceeds limit	22,900	21,800
	2,670	2,540

*Available for civil partners from 5 December 2005.

Blind person's allowance 1890 1800

Income Tax Rates

Taxable Income	Band	Rate
£	£	%
2009/10		
0-2440	2,440	10
0-37,400	34,960	20
Over 37,400		40
2008/09		
0-2320	2320	10
0-34,800	32,480	22
Over 34,800		40

Savings The 10% starting rate only applies to savings income. If non savings income exceeds this limit the 10% rate will not apply.

National Insurance Contributions

2009/10	(Earnings related)		
Class 1	Not contracted out	Contracted out	
Employees			
Weekly earnings			
Lower earnings £95	Nil	Nil	
Earnings threshold £110	Nil	Nil	
Upper earnings limit £844	11%	9.4%	
Over £844	1%	1%	
Employers	NCO	SRS	MPS
Weekly earnings			
Lower earnings £95	Nil	Nil	
Earnings threshold £110	Nil	Nil	
Upper earnings limit £844	12.8%	9.1%	11.4%
Over £844	12.8%	12.8%	12.8%

Employees' rates are reduced to 4.85% for married women with valid certificates of election but the 1% rate above £844 still applies. Rates are nil for men over 65 and women over 60. Normal employers' contributions are still payable.

Employers receive a rebate of 3.7% for salary-related schemes and 1.4% for money purchase schemes on earnings from £95 to £844 per week. A rebate of 1.6% on earnings from £95 to £844 per week is given to employees (or employers where insufficient contributions have been paid for offset).

Class 1A and Class 1B - 12.8%
Class 2 (Self-employed) - Flat rate £2.40 a week. Small earnings exemption £5,075 a year.
Class 3 (Voluntary contributions) - £12.05 a week
Class 4 (Self employed) - 8% of profits between £5,715 and £43,875 a year. 1% of profits above £43,875 a year.

Individual Savings Accounts

	Overall Limit	Cash Limit
2009/10	£7,200 (£10,200)*	£3,600 (£5,100)*
2008/9	£7,200	£3,600

Savings are exempt from income tax and capital gains tax.
 *Higher rates apply to over 50's from 6 October 2009.

Car Benefit

CO2 emissions (2009/10) % of list price (no maximum)	% of list price (no maximum)	
	Petrol	Diesel
grams per kilometre		
up to 120	10	13
135	15	18
140	16	19
145	17	20
150	18	21
155	19	22
160	20	23
165	21	24
170	22	25
175	23	26
180	24	27
185	25	28
190	26	29
195	27	30
200	28	31
205	29	32
210	30	33
215	31	34
220	32	35
225	33	35
230	34	35
235	35	35

For cars registered before 1 January 1998 the charge is based on engine size. Van benefit and van fuel benefit are £3,000 and £500, respectively for 2009/10.

Car Fuel Benefit

For 2009/10, car fuel is calculated by applying the above car benefit percentage to a figure of £16,900.

Tax-Free Mileage Allowances

Employee's own vehicle	2009/10
<i>Motorcars and vans</i>	
Up to 10,000 business miles	40p
Over 10,000 business miles	25p
Each passenger making same trip	5p
<i>Motorcycles</i>	24p
<i>Cycles</i>	20p

Advisory fuel rates for company car

Cylinder capacity	Petrol	Diesel	LPG
Up to 1,400 cc	10p	11p	7p
1,401 cc to 2,000 cc	12p	11p	9p
Over 2,000 cc	17p	14p	12p

Capital Gains Tax

Annual exempt amounts (2009/10)	£
Individuals, personal representatives for year of death and two years thereafter	10,100
Trusts generally	5,050

Rates

Individuals,
Trusts and personal representatives - 18%

Entrepreneurs Relief

For gains on or after 6 April 2008 qualifying business gains are taxed at 10% on the first £1 million, with the remainder over £1 million taxed at 18%.

Corporation Tax

Financial year to	31/3/2010	31/3/2009
Full rate	28%	28%
Small companies rate	21%	21%
21% rate limit	£300,000	£300,000
marginal relief limit	£1,500,000	£1,500,000
marginal relief fraction	7/400	7/400

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