

# TAX RATES

## 2010-2011

### Cumberland Ellis

#### Inheritance Tax

Transfers made after 5 April 2010

##### 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. These rates are frozen for the next 4 tax years.

#### Stamp Taxes

Shares and marketable securities 0.5%<sup>1</sup>

<sup>1</sup> Rounded up to the nearest multiple of £5

##### Transfers of land and buildings (consideration paid)

Residential	Non-residential	Rate
£125,000 or less*	£150,000 or less	Nil
£125,001-250,000	£150,001-250,000	1%
£250,001-£500,000	£250,001-£500,000	3%
Over £500,000	Over £500,000	4%

First time buyers of residential properties have a nil rate band of £250,000 for purchase between 25 March 2010 and 25 March 2012.

\* £150,000 in disadvantaged areas

##### Lease duty

###### Rent

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 from 1/01/2010	17.5%
Lower rate	5%
Registration level from 1 April 2010	£70,000 pa
Deregistration limit from 1 April 2010	£68,000 pa
VAT car fuel scale charges from 1 April 2010	

On fuel provided for private use VAT is payable at various rates dependant upon CO<sub>2</sub> emission levels. Rates are set for monthly, three monthly or yearly VAT accounting periods. The three monthly rate starts at £141 if CO<sub>2</sub> 75 g/rm or less to £496 if CO<sub>2</sub> is 230 g/rm or more.

#### Capital Allowances

Agricultural buildings (straight-line basis) Writing-down allowance 1

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 1

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) Writing-down allowances General 25  
Acquisition of mineral asset 10

Patent rights (reducing balance basis) Writing-down allowance 25

Plant and machinery (reducing balance basis) First-year allowances Expenditure up to £100,000 100  
Energy-saving or environmentally beneficial assets 100  
New low-emission cars 100  
Writing-down allowances General 20  
Long-life assets expenditure up to £100,000 100

Research and development Allowance 130 or 175

#### Registered Pension Schemes

Annual allowance 2010/11 2009/10  
£255,000 £245,000

Lifetime allowance 1,800,000 £1,750,000

The 2010/11 rates will continue to apply upto and including 2015/16.

#### Tax Credits

Annual amounts 2010/11 £  
Child tax credit  
Family element 545  
baby addition 545  
Child element (for each child) 2,300  
Addition for disabled child 2,715  
Severe disabled child enhancement 1,095

##### Working tax credit

Basic element 1,920  
Lone parent and couple element 1,890  
30 hour element 790  
Disability element 2,570  
Severe disability element 1,095  
50 plus return to work payment (16 to 29 hours) 1,320  
(30 or more hours) 1,965  
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 6,420  
eligible for child tax credit only 16,190  
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

	2010/11	2009/10
<b>Personal allowance</b>	£	£
general	6,475	6,475
aged 65 to 74 in year of assessment	9,490	9,490
aged 75 or over in year of assessment	9,640	9,640
age allowance income limit	22,900	22,900
minimum where income exceeds limit	6,475	6,475

Where income exceeds £100,000 the personal allowances are withdrawn by £1 for every £2. Basic allowance is lost once income is more than £112,950.

### **Married couple's allowance\***

(relief at 10%)  
either partner aged 75 or over in year of assessment

age allowance income limit	22,900	22,900
minimum where income exceeds limit	2,670	2,670

\*Available for civil partners from 5 December 2005.

<b>Blind person's allowance</b>	1,890	1,890
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## Income Tax Rates

Taxable Income	Band	Rate	Dividend Rate%
£	£	%	
<b>2010/11</b>			
0-2440	2,440	10	10
0-37,400	34,960	20	10
37,401-150,000		40	32.5
Over 150,000		50	42.5
<b>2009/10</b>			
0-2,440	2,440	10	10
0-37,400	34,960	20	10
Over 37,400		40	32.5

**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

2010/11	(Earnings related)		
Class 1	Not contracted out	Contracted out	
<b>Employees</b>			
Weekly earnings			
Lower earnings £97	Nil	Nil	
Earnings threshold £110	Nil	Nil	
Upper earnings limit £844	11%	9.4%	
Over £844	1%	1%	
<b>Employers</b>	<b>NCO</b>	<b>SRS</b>	<b>MPS</b>
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 £97 to £844 per week. A rebate of 1.6% on earnings from £97 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
2010/11	£10,200	£5,100
2009/10	£7,200	£3,600

(£10,200)\* (£5,100)\*

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)	grams per kilometre		
	Petrol	Diesel	
up to 75	5	8	
76-120	10	13	
121-130	15	18	
135	16	19	
140	17	20	
145	18	21	
150	19	22	
155	20	23	
160	21	24	
165	22	25	
170	23	26	
175	24	27	
180	25	28	
185	26	29	
190	27	30	
195	28	31	
200	29	32	
205	30	33	
210	31	34	
215	32	35	
220	33	35	
225	34	35	
230	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 £550, respectively for 2010/11.

## Car Fuel Benefit

For 2010/11, car fuel is calculated by applying the above car benefit percentage to a figure of £18,000. (£16,900 2009/10).

## Tax-Free Mileage Allowances

### **Employee's own vehicle**

<i>Motorcars and vans</i>	2009/10 and 2010/11
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 (2010/11)	£
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**

Entrepreneurs relief is doubled to the first £2 million of gains for 2010/11 (1 million 2009/10) and the tax rate remains 10%, with gains in excess of the relief taxed at 18%.

## Corporation Tax

Financial year to	31/3/2011	31/3/2010
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

The rise in small companies rate to 22% is deferred until 2011/12.

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