

Riley & CO

CHARTERED ACCOUNTANTS

2008/09 Tax Tables



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EMPLOYEE SHARE SCHEMES LIMITS		08-09	07-08
Share incentive plans contributions	Employer	£3,000	£3,000
	Employer matching (2:1)	£3,000	£3,000
	Employee	£1,500	£1,500
Enterprise management incentive option value		£120,000	£100,000
Savings-related share options per month		£250	£250
Approved share option schemes		£30,000	£30,000

CAR BENEFIT FOR EMPLOYEES

Taxable amount based on car's list price when new up to £80,000

Charge varies according to CO₂ emissions in grams per kilometre

CO ₂ g/km	% of price		CO ₂ g/km	% of price		CO ₂ g/km	% of price	
	08-09	07-08		08-09	07-08		08-09	07-08
120 or less	10	15	170-4	22	21	210-4	30	29
121-139	15	15	175-9	23	22	215-9	31	30
140-4	16	15	180-4	24	23	220-4	32	31
145-9	17	16	185-9	25	24	225-9	33	32
150-4	18	17	190-4	26	25	230-4	34	33
155-9	19	18	195-9	27	26	235-9	35	34
160-4	20	19	200-4	28	27	240+	35	35
165-9	21	20	205-9	29	28			

Further reductions may apply for LPG, bi-fuel, E85 hybrid and electric cars

Diesels not meeting Euro IV or registered after 31 December 2005:

add 3% subject to maximum charge of 35%

Vans – for private use	08-09	07-08
Chargeable amount	£3,000	£3,000
No charge if private use is limited to journeys between home and work		

FUEL BENEFIT

	08-09	07-08
Multiply the CO ₂ % used for the car benefit by	£16,900	£14,400
Vans – flat charge	£500	£500

COMPANY CARS – ADVISORY FUEL RATES from 1/1/08

Engine size	Petrol	Diesel	LPG
1,400cc or less	11p	11p	7p
1,401cc to 2,000cc	13p	11p	8p
Over 2,000cc	19p	14p	11p

TAX-FREE MILEAGE ALLOWANCE – OWN VEHICLE 07-09

Cars	Up to 10,000 business miles: 40p	Motorcycles	24p per business mile
	Over 10,000 business miles: 25p	Bicycles	20p per business mile

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee Not Contracted-Out of State Second Pension (S2P)

	08-09		07-08	
	Employee	Employer	Employee	Employer
NIC rate	11%	12.8%	11%	12.8%
No NICs on the first	£105 pw	£105 pw	£100 pw	£100 pw
NICs charged up to	£770 pw	No limit	£670 pw	No limit
1% NIC on earnings over	£770 pw	N/A	£670 pw	N/A
Certain married women	4.85%	12.8%	4.85%	12.8%

Contracted-Out Rebate

Rebate on	£90.01–£770 pw		£87.01–£670 pw	
Salary-related scheme	1.6%	3.7%	1.6%	3.7%
Money-purchase scheme	1.6%	1.4%	1.6%	1.4%
Personal Pension	No reduction		No reduction	

Class 1A Employer 07-09 on car fuel benefits & most other taxable benefits: 12.8%

Limits and Thresholds	08-09			07-08		
	Weekly	Monthly	Annual	Weekly	Monthly	Annual
	£	£	£	£	£	£
Lower earnings limit	90	390	4,680	87	377	4,524
NICs start	105	453	5,435	100	435	5,225
Upper earnings limit	770	3,337	40,040	670	2,904	34,840

Self-Employed

	08-09		07-08	
	Class 2 Flat rate	Class 4*	Class 2 Flat rate	Class 4*
if earnings over	£2.30 pw	£119.60 pa £4,825 pa	£2.20 pw	£114.40 pa £4,635 pa

On profits:	£5,435–£40,040 pa: 8%	Over £40,040 pa: 1%	£5,225–£34,840 pa: 8%	Over £34,840 pa: 1%
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Voluntary

Class 3 Flat rate	£8.10 pw	£421.20 pa	£7.80 pw	£405.60 pa
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* Unless over state pension age on 6 April

BASIC STATE PENSION

	08-09		07-08	
	Weekly	Annual	Weekly	Annual
Single person	£90.70	£4,716.40	£87.30	£4,539.60
Dependant's addition	£54.35	£2,826.20	£52.30	£2,719.60
Total married pension	£145.05	£7,542.60	£139.60	£7,259.20

Pension Credit – Standard Income Guarantee (08-09)

Single: £124.05 pw	Married: £189.35 pw
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INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

Maximum Investment Component	08-09	07-08	
		Mini-ISA	Maxi-ISA
Cash	£3,600	£3,000	£3,000
Stocks & Shares	balance to £7,200	£4,000	balance to £7,000

CHILD TRUST FUND

Children born after 31 August 2002

Annual contributions from family and friends up to £1,200

INHERITANCE TAX

	08-09	07-08
Nil-rate band*	£312,000	£300,000
Rate of tax on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£55,000	£55,000
100% relief: businesses, unlisted/AIM companies, certain farmland/buildings		
50% relief: certain other business assets		

Reduced tax charge on gifts within 7 years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death tax charge	100	80	60	40	20
Annual exempt gifts	£3,000 per donor			£250 per donee	

*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the surviving spouse's/civil partner's death after 8 Oct 2007

CAPITAL GAINS TAX

Exemptions	08-09	07-08
Individuals, estates etc	£9,600	£9,200
Trusts generally	£4,800	£4,600
Chattels proceeds ($\frac{5}{3}$ excess gain is taxable)	£6,000	£6,000
Rates		
Individuals	18%	10, 20 or 40%
Trusts and estates	18%	40%

Entrepreneur's Relief 08-09

$\frac{1}{3}$ ths of gain (effective tax rate of 10%). Lifetime limit: £1,000,000

For trading businesses & companies (min. 5% employee shareholding) held for 1 yr+

Taper Relief for 07-08 Percentage of gain chargeable

Years owned	1	2	3	4	5	6	7	8	9	10
Business assets	50	25	25	25	25	25	25	25	25	25
Other assets*	100	100	95	90	85	80	75	70	65	60

*One year's extra relief for other assets owned before 17/3/98

STAMP DUTIES

Stamp Duty Land Tax

Consideration is £125,000 or less (£150,000 for residential properties in disadvantaged areas and all non-residential properties)

Consideration is over £125,000 and up to £250,000	Nil
Consideration is over £250,000 and up to £500,000	1%
Consideration is over £500,000	3%
	4%

Stamp Duty (including SDRT): stocks and marketable securities 0.5%

No charge unless the duty exceeds £5

CORPORATION TAX

Profits £	Effective rate to 31/3/09	Effective rate to 31/3/08
0–300,000	21%	20%
300,001–1,500,000	29.75%	32.5%
1,500,001 and over	28%	30%

MAIN CAPITAL AND OTHER ALLOWANCES

Plant & machinery 100% annual investment allowance (first year)	£50,000
Plant & machinery, patent rights, know-how (reducing balance) pa	20%
Certain long-life assets, integral features of buildings (reducing balance) pa	10%
Industrial & agricultural buildings (straight line)	3%
Energy & water-efficient investments	100%
Qualifying flat conversions & business premises renovations	100%
Motor cars: generally	20%*
with CO ₂ emissions of 110g/km or less	100%
R&D: Capital expenditure	100%
Revenue expenditure – small/medium-size firms	175%
– large firms	130%

*Maximum £3,000

VALUE ADDED TAX

Registration level from 1/4/08	£67,000
Standard rate: 17.5%	Reduced rate, eg on domestic fuel: 5%
Flat rate scheme turnover limit	£150,000
Cash and annual accounting turnover limit	£1,350,000

MAIN DUE DATES FOR TAX PAYMENT

Income Tax and Capital Gains Tax – Self-assessment

31 January in tax year	} • Normally 50% of previous year's income tax, less tax deducted at source	
Following 31 July		• Balance of income tax and all CGT
Following 31 January		
Inheritance Tax On death:	normally 6 months after month of death	
Lifetime transfer 6 April–30 September:	30 April in following year	
Lifetime transfer 1 October–5 April:	6 months after month of transfer	

Corporation Tax

Small and medium-size companies:	9 months after accounting period
Large companies (those paying tax at 28%/30%):	Quarterly instalments normally payable in 7th, 10th, 13th, 16th months after the start of the accounting period.
Growing companies avoid instalments where profits are £10m or less and the company was not large for the previous year	