



## TAX RATES AND ALLOWANCES 2014-2015

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## INCOME TAX RATES

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<b>Individuals</b>	<b>2014-15</b>	<b>2013-14</b>
Starting rate of 10% on savings income up to *	£2,880	£2,790
Basic rate of 20% on income up to	£31,865	£32,010
Higher rate of 40% on income	£31,866- £150,000	£32,011- £150,000
Additional rate on income over £150,000	45%	45%
<i>Dividends for:</i>		
Basic rate taxpayers	10%	10%
Higher rate taxpayers	32.5%	32.5%
Additional rate taxpayers on dividends over £150,000	37.5%	37.5%
<b>Trusts</b>		
Standard rate band generally	£1,000	£1,000
Rate applicable to trusts:		
Dividends	37.5%	37.5%
Other income	45%	45%
Child benefit charge from 7 January 2013: 1% of benefit for every £100 of income over	£50,000	£50,000
Pre-owned assets tax minimum taxable as income	£5,000	£5,000

\* Not available if taxable non-savings income exceeds starting rate band.

## INCOME TAX ALLOWANCES

	2014-15	2013-14
Personal (basic)	£10,000	£9,440
Personal for people born between 6/4/1938 and 5/4/1948*	£10,500	£10,500
Personal for people born before 6/4/1938 *	£10,660	£10,660
Personal allowances are reduced by £1 for every £2 of adjusted net income over	£100,000	£100,000
Married couples/civil partners (minimum) at 10%†	£3,140	£3,040
Married couples/civil partners (born before 6/4/1935 and aged 75 and over) at 10%†	£8,165	£7,915
* Age-related relief's reduced by £1 for every £2 of adjusted net income over	N/A	N/A
* Age-related relief's reduced for those born before 6/4/1948 by £1 for every £2 of adjusted net income over	£27,000	£26,100
Blind person's allowance	£2,230	£2,160
† Where at least one spouse/civil partner was born before 6 April 1935		
Rent-a-room tax-free income	£4,250	£4,250
<b>Non-domicile Remittance Basis Charge</b>		
For adult non-UK domiciliary after UK residence in:		
At least 7 of the previous 9 tax years	£30,000	£30,000
At least 12 or more of the previous 14 tax years	£50,000	£50,000

## PENSIONS

All individuals up to the age of 75 can invest up to **£3,600** regardless of income. The maximum that can be invested is the lower of 100% of relevant UK earnings and the annual allowance of **£40,000** for **2014-15** (£50,000 for 2013-14).

Where the £40,000 limit is not fully used it may be possible to carry forward the unused amount forward for three years.

The lifetime allowance for 2014-15 is **£1.25m** (£1.5m for 2013-14).

## PERSONAL INVESTMENT INCENTIVES

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### INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

	2014-15	2013-14
Overall maximum investment limit	*£15,000	£11,520
Comprising:		
Cash (up to maximum of)	£15,000	£5,760
Stocks and shares (up to maximum of)	£15,000	£11,520
Junior ISA and Child Trust Fund (CTF)	*£4,000	£3,720

\*This new ISA limit applies from 1 July 2014 (to 30/06/14  
£11,880 maximum of which £5,940 cash maximum, and  
£3,840 maximum Junior ISA and CTF)

### Limits for 2014-15

	EIS	VCT
Maximum investment eligible for income tax relief	£1,000,000	£200,000
Rate of income tax relief for 2014/15 and 2013/14	30%	30%
Capital gains tax deferral	Yes	No
Capital Gains Tax Exemption on Disposal	Yes	Yes
Tax free income from investments within the permitted maximum	No	Yes
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS eligible for CGT reinvestment exemption	50% of reinvestment	50% of reinvestment

## BASIC STATE PENSION

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	2014-15		2013-14	
	Weekly	Annual	Weekly	Annual
Single person	£113.10	£5,881.20	£110.15	£5,727.80
Dependant's addition	£67.80	£3,525.60	£66.00	£3,432.00
Total married pension	£180.90	£9,406.80	£176.15	£9,159.80

## NATIONAL INSURANCE CONTRIBUTIONS FROM 6 APRIL 2014

<b>Class 1 – Individuals in employment</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Yearly</b>
Lower Earnings Limit (LEL) – no NIC due	£111	£481	£5,772
Secondary threshold limit (ST)	£153	£663	£7,956
<i>Note: for earnings between LEL and ST, no NIC is paid but for the purposes of claiming benefits NIC is treated as being paid.</i>			
Primary threshold limit (PT)	£153	£663	£7,956
<i>Note: for earnings between the ST and PT, NIC is payable by the employer but not the employee.</i>			
Upper Accrual Point	£770	£3,337	£40,040
Upper Earnings Limit (applies to employees only)	£805	£3,489	£41,865

	<b>Employee</b>	<b>Employer</b>
Not contracted out rates on the following weekly earnings bands		
£0.00 - £111.00	NIL	NIL
£111.01 - £153.00	0%	0%
£153.01 - £805.00	12%	13.8%
Over £805.00	2%	13.8%

### Employment Allowance per business 2014/15

Offset against employer's Class 1 NICs £2,000

### Contracted out rebate

On:	£111.01 - £770 per week	
Salary related scheme	1.4%	3.4%
Money purchase scheme	N/A	N/A
Personal pension	N/A	N/A
Class 1A (employer) on most taxable benefits	N/A	13.8%

	<b>2014-15</b>	<b>2013-14</b>
<b>Self employed</b>		
Class 2 flat rate	£2.75pw	£2.70pw
Small earnings exception	£5,885pa	£5,725pa
Class 4 (unless over state pension age on 6 April)		
On profits per annum:	£7,956 –	£7,755 –
	£41,865 : <b>9%</b>	£41,450 : <b>9%</b>
	Over £41,865	Over £41,450
	: <b>2%</b>	: <b>2%</b>
Class 3 voluntary – Flat rate	£13.90 pw	£13.55 pw

## CAR BENEFIT FOR EMPLOYEES

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Taxable amount based on car's list price when new. The charge varies according to CO2 emissions in grams per kilometre.

CO2 g/km	% of list price		g/km	% of list price		g/km	% of list price	
	14-15	13-14		14-15	13-14		14-15	13-14
75 or less	5	5	130-4	19	18	175-9	28	27
76-94	11	10	135-9	20	19	180-4	29	28
95-99	12	11	140-4	21	20	185-9	30	29
100-4	13	12	145-9	22	21	190-4	31	30
105-9	14	13	150-4	23	22	195-9	32	31
110-4	15	14	155-9	24	23	200-4	33	32
115-9	16	15	160-4	25	24	205-9	34	33
120-4	17	16	165-9	26	25	210-4	35	34
125-9	18	17	170-4	27	26	215+	35	35

**Diesels:** add 3% subject to maximum charge of 35%

**Zero emission cars, incl. electric only:** no taxable benefit

## VANS – FOR PRIVATE USE

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	2014-15	2013-14
Chargeable amount	£3,090	£3,000
No charge if zero emissions, or private use is limited to home-work journeys.		

## FUEL BENEFIT

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	2014-15	2013-14
Multiply the CO2% used for the car benefit by	£21,700	£21,100
Minimum charge at 5%	£1,085	£1,055
Maximum charge at 35%	£7,595	£7,385
Vans – flat charge (except zero emissions)	£581	£564

## MILEAGE PAYMENTS

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<b>Business mileage</b>	<b>2014-15</b>	<b>2013-14</b>
Motor Cars and Vans:		
Up to 10,000 miles	45p	45p
Excess over 10,000 miles	25p	25p
Motor cycles	24p	24p
Cycles	20p	20p
Passenger payment	5p	5p

The rates are the tax free allowances which may be used to reimburse employees who use their own vehicle for business purposes.

The following fuel only rates can be used by employers to reimburse business travel in their company cars or for staff who are required to repay the cost of fuel provided for private travel on or after **1 March 2014**. These rates are reviewed quarterly.

<b>Engine size</b>	<b>Petrol fuel Cost (per mile)</b>	<b>LPG fuel Cost (per mile)</b>
1400cc or less	14p	9p
1401cc – 2000cc	16p	11p
Over 2000cc	24p	17p
<b>Engine size</b>	<b>Diesel Fuel Cost (per mile)</b>	
1600cc or less	12p	
1601cc – 2000cc	14p	
Over 2000cc	17p	

## CORPORATION TAX

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<b>Profits</b>	<b>To 31-3-15</b>	<b>To 31-3-14</b>
£0 - £300,000	20%	20%
£300,001 - £1,500,000	21.25%	23.75%
£1,500,000 and over	21%	23%

The profit limits are reduced for accounting periods of less than 12 months and for a company with associated companies.

## VALUE ADDED TAX

	Rate	Fraction
Standard rate from 4 January 2011	20%	1/6
Reduced rate	5%	1/21

Effective from:	1 April 2014	1 April 2013
Registration level	£81,000	£79,000
Deregistration level	£79,000	£77,000
Flat rate scheme turnover limit	£150,000	£150,000
Cash and annual accounting scheme turnover limit	£1,350,000	£1,350,000

## MAIN CAPITAL AND OTHER ALLOWANCE RATES

	2014-15	2013-14
Plant and machinery 100% annual investment allowance of up to £500,000 p.a. on expenditure incurred on or after 6 April 2014 or 1 April 2014 for companies (£250,000 p.a. for expenditure incurred on or after 1 January 2013). Special rules apply to accounting periods straddling these dates.		
Plant and machinery (reducing balance) per annum	18%	18%
Patent rights & know-how (reducing balance) per annum	25%	25%
Certain long life assets, integral features of buildings (reducing balance) per annum	8%	8%
Energy and water efficient equipment	100%	100%
Zero emission goods vehicles (new)	100%	100%
Qualifying flat conversions, business premises & renovations	100%	100%

**Motor cars:** Expenditure on or after 1/4/09 (Corporation Tax) or 6/4/09 (Income Tax)

	CO2 emissions of g/km:	CO2 emissions of g/km:
Capital allowance:		
100% (First year)	95 or less*	95 or less*
18% (reducing balance)	96-130	96-130
8% (reducing balance)	131 or more	131 or more

\* If new, not second hand

### Research and Development

Capital expenditure	100%	100%
Revenue expenditure:		
Small and medium size company	225%	225%
Large company	130%	130%



## INHERITANCE TAX

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<b>Rates</b>	<b>2014-15</b>	<b>2013-14</b>
Nil rate band *	£325,000	£325,000
Rate of tax on excess	40%†	40%†
Lifetime transfers to and from certain trusts	20%	20%
Exemption for overseas domiciled spouse/civil partner	£325,000	£325,000
<b>Reliefs</b>		
Annual exemption per donor	£3,000	£3,000
Small gifts per donee	£250	£250
Gifts in consideration of marriage by:		
Parent	£5,000	£5,000
Grandparent	£2,500	£2,500
Remote ancestor	£2,500	£2,500
Party to the marriage	£2,500	£2,500
Other person	£1,000	£1,000

\* Potentially increased for surviving spouses or civil partners who die on or after 9 October 2007

† 36% where at least 10% of net assets left to charity for death after 5 April 2012

## CAPITAL GAINS TAX

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<b>Rates</b>	<b>2014-15</b>	<b>2013-14</b>
<b>Individuals</b> , as top slice of income:		
On taxable gains up to basic rate limit	18%	18%
On taxable gains above basic rate limit	28%	28%
<b>Trusts</b> generally / personal representatives	28%	28%
<b>Annual exemptions</b>		
Individuals and certain trusts	£11,000	£10,900
Trusts generally	£5,500	£5,450
Personal representatives for year of death & next two years	£11,000	£10,900

### Entrepreneurs relief

For disposals on or after 6 April 2014, the first £10 million (£10 million for disposals on or after 6 April 2013) of lifetime qualifying gains are charged at 10%. Gains in excess of the limit are charged at the rates detailed above.

## STAMP DUTY LAND TAX FROM 6 APRIL 2014

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Residential Properties		Non-residential Properties	
£0 - £125,000	0%	£0 - £150,000	0%
£125,001 - £250,000	1%	£150,001 - £250,000	1%
£250,001 - £500,000	3%	£250,001 - £500,000	3%
£500,001 - £1,000,000	4%*	Over £500,000	4%
£1,000,000 – £2,000,000	5%*		
Over £2,000,000	7%*		

\* 15% if purchased by a non-natural entity, e.g. company

**Stamp Duty (including SDRT):** stocks and marketable securities 0.5%  
No charge unless the duty exceeds £5

*These rates and allowances are based on the proposals set out by the Chancellor in his budget of 19 March 2014 but may be amended in the Finance Bill.*

*They are produced as a general guide but are not a substitute for professional advice which is specific to your individual circumstances.*

We would be pleased to talk you through our services and suggest how we can meet your particular requirements and you can contact us as follows:

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