

Income Tax Rates					
	2016/17	Rate	2015/16	Rate	Note
<b>Individuals</b>					
<b>Starting rate</b>	<b>£1 – 5,000</b>	<b>20%</b>	<b>£1 – 5,000</b>	<b>20%</b>	<b>A</b>
<b>Basic rate</b>	<b>£5,001 – 32,000</b>	<b>20%</b>	<b>£5,001 -31,785</b>	<b>20%</b>	<b>B, C</b>
<b>Higher rate</b>	<b>£32,001 – 150,000</b>	<b>40%</b>	<b>£31,786 – 150,000</b>	<b>40%</b>	<b>B</b>
<b>Additional rate</b>	<b>Over £150,000</b>	<b>45%</b>	<b>Over £150,00</b>	<b>45%</b>	<b>B</b>
<b>Trusts</b>					
<b>Standard rate</b>	<b>£1- £1,000</b>	<b>20%</b>	<b>£1 – 1,000</b>	<b>20%</b>	<b>B</b>
<b>Trust rate</b>	<b>Over £1,000</b>	<b>45%</b>	<b>Over £1,000</b>	<b>45%</b>	<b>B</b>

A Non-dividend savings income

B From 6 April 2016 the 10% tax credit on dividends is removed. A £5,000 dividend allowance is introduced (effectively a 0% rate). Above £5,000 dividends will be taxed at 7.5% (for basic and standard rate taxpayers), 32.5% (for higher rate taxpayers) and 38.1% (for additional and trust rate taxpayers).

C Gift Aid basic rate band increased by gross gift

Income tax allowances				
	2016/17	2015/16	Note	
<b>Basic personal allowance</b>	<b>£11,000</b>	<b>£10,600</b>	<b>A, D</b>	
<b>People born 6 April 1938 – 5 April 1948</b>	<b>£11,000</b>	<b>£10,600</b>	<b>A, B</b>	
<b>People born before 6 April 1938</b>	<b>£11,000</b>	<b>£10,660</b>	<b>A, B</b>	
<b>Married/ civil partners allowance</b>	<b>£8,355</b>	<b>£8,355</b>	<b>C, D</b>	
<b>Minimum married/civil partners allowance</b>	<b>£3,220</b>	<b>£3,220</b>	<b>C, D</b>	
<b>Married/civil partners transferable allowance</b>	<b>£1,100</b>	<b>£1,060</b>	<b>D</b>	
<b>Income limit</b>	<b>£27,700</b>	<b>£27,700</b>		
<b>Blind persons</b>	<b>£2,290</b>	<b>£2,290</b>		
<b>Rent a room limit</b>	<b>£7,500</b>	<b>£4,250</b>		
<b>Savings allowance</b>	<b>£1,000</b>	<b>N/A</b>	<b>E</b>	

A Reduced by £1 for every £2 of income over £100,000

B Reduced to Basic personal allowance by £1 for every £2 over income limit

C Available to persons born before 6 April 1935. Relief limited to 10%. Reduced to a minimum allowance by £1 for every £2 over income limit. Apply personal allowance reduction first.

D Non-residents may not be entitled to personal allowances, in certain circumstances.

E £500 for higher rate and £Nil for additional rate taxpayers

Note: High income child benefit charge: 1% of the benefit per£100 of adjusted net income over £50,000; 100% of the benefit when adjusted net income is over £60,000

Non domiciled remittance basis			
	2016/17	2015/16	
<b>Allowances and rates</b>			
<b>Personal allowance</b>	<b>Nil</b>	<b>Nil</b>	
<b>Capital gains tax annual exemption</b>	<b>Nil</b>	<b>Nil</b>	
<b>Capital gains tax rate</b>	<b>28%</b>	<b>28%</b>	
<b>Remittance basis charge</b>			
<b>Unremitted income less than £2,000</b>	<b>Nil</b>	<b>Nil</b>	
<b>Resident in at least 7 of previous 9 years</b>	<b>£30,000</b>	<b>£30,000</b>	
<b>Resident in at least 12 of the previous 14 years</b>	<b>£60,000</b>	<b>£60,000</b>	
<b>Resident in at least 17 of the previous 20 years</b>	<b>£90,000</b>	<b>£90,000</b>	

Inheritance Tax				
	2016/17	2015/16	Note	
<b>Nil rate band</b>	<b>£1 – 325,000</b>	<b>0%</b>	<b>0%</b>	<b>A</b>
<b>Over £325,000</b>	<b>40%</b>	<b>40%</b>	<b>B, C</b>	
<b>Main exemptions</b>				
<b>Annual gifts per donor</b>	<b>£3,000</b>	<b>Parent</b>	<b>£5,000</b>	
<b>Small gifts per donee</b>	<b>£250</b>	<b>Grandparent/ancestor</b>	<b>£2,500</b>	
<b>Normal expenditure out of income</b>	<b>Exempt</b>	<b>Other</b>	<b>£1,000</b>	

A Nil rate band for estate of surviving spouse is increased by the percentage of the nil rate band

unutilised by the predeceased spouse. Additional £100,000 nil rate band for main residence from 2017

B Some lifetime gifts are taxed at 20%

C Tax rate reduced to 36% where 10% or more of net chargeable estate is left to charity

Pension contributions				
	2016/17	2015/16	Note	
<b>Annual allowance</b>	<b>£40,000</b>	<b>£40,000</b>	<b>A</b>	
<b>Lifetime allowance</b>	<b>£1m</b>	<b>£1.25m</b>		
A Tax relief is given for pension contributions up to the lower of 100% of earnings or the maximum contribution. The maximum contribution is the annual allowance plus unutilised allowances from the previous three years. Up to £3,600 (2015/16 £3,600) may be contributed irrespective of earnings.				

Capital gains tax			
	2016/17	2015/16	
<b>Annual exemption</b>			
<b>Individuals</b>	<b>£11,100</b>	<b>£11,100</b>	
<b>Trusts</b>	<b>£5,550</b>	<b>£5,550</b>	
<b>Entrepreneurs relief: Maximum lifetime allowance</b>			
	<b>£10m</b>	<b>£10m</b>	

Individuals and trusts:		
<b>Basic and starting rate taxpayers</b>	<b>18%</b>	<b>18%</b>
<b>Higher and additional rate taxpayers</b>	<b>28%</b>	<b>28%</b>
<b>Trusts and personal representatives</b>	<b>28%</b>	<b>28%</b>
<b>Gains qualifying for entrepreneurs’ relief</b>	<b>10%</b>	<b>10%</b>

Individual Savings Accounts				
	2016/17	2015/16	Note	
<b>Cash and shares combined limit</b>	<b>£15,240</b>	<b>£15,240</b>	<b>A</b>	
<b>Junior ISA</b>	<b>£4,080</b>	<b>£4,080</b>	<b>A</b>	

Tax efficient savings and investments				
Relief	2016/17	2015/16	Note	
<b>Seed enterprise investment scheme (SEIS)</b>	<b>£100,000</b>	<b>£100,000</b>	<b>A</b>	
<b>Venture capital trust (VCTs)</b>	<b>£200,000</b>	<b>£200,000</b>	<b>B</b>	
<b>Enterprise investment scheme (EIS)</b>	<b>£1m</b>	<b>£1m</b>	<b>B</b>	
<b>Social investment tax relief</b>	<b>£1m</b>	<b>£1m</b>	<b>B</b>	

A Relief at 50%

B Relief at 30%

National Insurance Contributions				
Class 1 (employed contracted in rates)				
Employer		Employee		
Earnings per week	Rate payable	Earnings per week	Rate payable	
<b>£0.01 - £156.00</b>	<b>Nil</b>	<b>£0.01 - £155.00</b>	<b>Nil</b>	
<b>£156.01 - £827.00</b>	<b>13.8%</b>	<b>£155.01 - £827.00</b>	<b>12%</b>	
<b>Over £827.00</b>	<b>13.8%</b>	<b>Over £827.00</b>	<b>2%</b>	
<b>Class 1A and 1B</b>				
	<b>13.8%</b>			
<b>(employers only)</b>				
<b>Class 2 (self-employed)</b>	<b>£2.80 per week (Small earnings exception £5,965)</b>			
<b>Class 3 (voluntary)</b>	<b>£14.10 per week</b>			
<b>Class 4 (self-employed)</b>	<b>Profits up to £8,060</b>	<b>0%</b>		
	<b>Profits from £8,061 to £43,000</b>	<b>9%</b>		
	<b>Profits from £43,000 per annum</b>	<b>2%</b>		

Notes: The first £3,000 (2015/16 £2,000) of each employer’s liability to NIC is relieved. No employers’ NIC for employees aged under 21 (and apprentices up to 25) up to the Upper earnings limit

Authorised mileage rates			Per mile
<b>Private cars and vans:</b>	<b>First 10,000 miles in the tax year</b>		<b>45p</b>
	<b>Additional miles</b>		<b>25p</b>
	<b>Each qualifying passenger</b>		<b>5p</b>
<b>Motor cycle</b>			<b>24p</b>
<b>Cycle</b>			<b>20p</b>

Company cars and vans		
Note: From 6 April 16 the £8,500 threshold is abolished		
<b>Car benefit:</b>	<b>Percentage of list price (see below)</b>	
<b>Fuel benefit:</b>	<b>Percentage of £22,200 (see below)</b>	

Cars registered from 1 January 1998:			
CO <sub>2</sub> emissions (g/km):	Diesel	Petrol	
<b>0 -50</b>	<b>10%</b>	<b>7%</b>	
<b>51 - 75</b>	<b>14%</b>	<b>11%</b>	
<b>76 -94</b>	<b>18%</b>	<b>15%</b>	
<b>Each additional 5</b>	<b>Further 1%</b>	<b>Further 1%</b>	
<b>Diesel 185 and over / Petrol 200 and over</b>	<b>37%</b>	<b>37%</b>	

Note: From 6 April 16 the £8,500 threshold will be abolished

Tax Facts is designed for the information of readers. Whilst every effort has been made to ensure accuracy, information contained in Tax Facts may not be comprehensive and recipients should not act upon it without seeking professional advice. E&OE. Figures may be subject to change

## www.cismadeeasy.co.uk

Our website contains many useful tools and documents to help you run your business effectively, please take a look. We regularly publish two free newsletters on our website, “*Planning, Tenders & Contracts Highlights*” and “*Finance, Business & the Workplace*”, you can sign up to have them sent to you by email or simply download them from our news page. *You will find our service pricing to be competitive and affordable, give us a ring to find out.*

# Tax Facts 2016/17



## Accountants & Business Advisors

Brooklands Court, Tunstall Road, Leeds. LS11 5HL  
 E: enquiries@cismadeeasy.co.uk T: 0113 418 2058

Claims processing

Airedale Enterprise Services, Crown Works Business Centre,  
 Sunderland Street, Worth Way, Keighley. BD21 5LR

www.cismadeeasy.co.uk

### Corporation Tax and Diverted Profits Tax

	2016/17	2015/16	Note
Corporation Tax – all profits and gain	20%	20%	
Restitution interest payments	45%	45%	A
<b>corporation tax rate</b>			
<b>Diverted profits</b>	<b>25%</b>	<b>25%</b>	<b>B</b>

A Withheld at source. Applies to determinations or agreements made on or after 21 October 2015

B Applies to profits of large entities diverted from the UK (avoided permanent establishment etc.).

### Patent Box

	2016/17	2015/16	Note
Effective rate of tax on qualifying profits	11%	12%	A

A Reducing to 10% by 2017/18. New nexus based regime to operate from 1 July 2016

### Capital allowances

	2016/17	2015/16	Note
<b>Plant and machinery</b>			
Annual investment allowance	100%	100%	A
Brand new zero-emission goods vehicles	100%	100%	
Long life assets and integral features	8%	8%	B
Other assets	18%	18%	B

First year allowances:

Research and development, Enterprise zone (qualifying zones), Energy-saving technologies including cars, Water efficient technology, Business premises renovation	100%	100%	
---	------	------	--

Cars: CO<sub>2</sub> emissions (g/km)

75 or less	100%	
Over 76 to 130	18%	B
Over 130	8%	B

A From 1 April 2014 to 31 December 2015 maximum £500,000pa.

From 1 January 2016 £25,000pa.

B Reducing balance

### Value Added Tax

	2016/17	Note
Standard rate	20%	
Reduced rate	5%	
Annual turnover limit for registration	£82,000	A
Annual cash accounting upper limit	£1,350,000	
EC Sales List reporting	Nil	
Intrastat reporting		
Arrivals threshold from January 2015	£1,500,000	
Despatches threshold	£250,000	

A Taxable turnover is measured by reference to the last 12 months or the next 30 days

### Research and development tax credits

	2016/17	2015/16	Note
SME enhanced expenditure deduction scheme	130%	130%	A
SME cash credit for R&D loss surrendered	14.5%	14.5%	B
Large company enhanced deduction scheme	30%	30%	
Large company expenditure credit scheme	11%	11%	B

A Additional (enhanced) tax deduction available for qualifying R&D expenditure

B Expenditure taxable credit available for qualifying R&D expenditure

### Property

#### Stamp Duty Land Tax (SDLT)

#### Property purchased in England, Wales and Northern Ireland

Residential		Non-residential and mixed	
Band	Rate Payable (incremental)	Band	Rate Payable (slab basis)
£1 - £125,000	Nil	£1 - £150,000	Nil
£125,001 - £250,000	2%	£150,001 - £250,000	1%
£250,001 - £925,000	5%	£250,001 - £500,000	3%
£925,001 - £1,500,000	10%	Above £500,000	4%
Above £1,500,000	12%		
Enveloped properties over £500,000 (slab basis)	15%		

3% supplement to residential rates for second or buy to let homes above £40,000. Leases: 1% on present value of rents above £125,000 (residential) or £150,000 (non-residential)

#### Land and buildings transactions tax (LBTT) - Property purchased in Scotland

Residential		Non-residential and mixed	
Band	Rate payable (Incremental)	Band	Rate payable (Incremental)
£1 - £145,000	0%	£1 - £150,000	0%
£145,001 - £250,000	2%	£150,001 - £350,000	3%
£250,001 - £325,000	5%	Above £350,000	4.5%
£325,001 - £750,000	10%		
Above £750,000	12%		

3% supplement to residential rates for second or buy to let homes above £40,000. Leases: 1% on present value of rents above £125,000 (residential) or £150,000 (non-residential)

#### Annual Tax on Enveloped Dwellings (ATED)

Residential property value	2016/17	2015/16
£500,001 - £1m	£3,500	N/A
Over £1m - £2m	£7,000	£7,000
Over £2m - £5m	£23,350	£23,350
Over £5m - £10m	£54,450	£54,450
Over £10m - £20m	£109,050	£109,050
Above £20m	£218,200	£218,200

Note: Disposals of ATED property gains are potentially subject to capital gains tax at 28%.

Stamp duty and SDRT: (for stamp duty only consideration over £1,000) 0.5%

Non UK residents: Now subject to capital gains tax on sale of UK residential property.