



TAXFAX

2009/2010



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ALLOWANCES AND RELIEFS

	2009/2010	2008/2009
Personal allowance		
under 65	£6,475	£6,035
65-74	£9,490	£9,030
75 and over	£9,640	£9,180
Married couples/civil partners allowance (relief at 10%)		
age less than 75 and born before 06/04/1935	n/a	£6,535
age 75 and over	£6,965	£6,625
minimum amount	£2,670	£2,540
Age allowances reduced by 1/2 of income over (to a minimum equal to the personal allowance for those under 65)	£22,900	£21,800
Blind person's allowance	£1,890	£1,800
Rent-a-room relief - maximum	£4,250	£4,250
Maximum 'golden handshake'	£30,000	£30,000
Charitable giving		
Gift	Donor receives	Charity receives from HMRC
Cash (under Gift Aid)	20/80th higher rate relief	22/78th of cash donation
Payroll giving	100% income tax relief	10% of cash donation
Quoted securities/property	100% income tax relief exemption from CGT	nil

INDIVIDUALS - INCOME TAX RATES 2009/2010 (2008/2009)

	Dividends*	Savings	Other
£1 - £37,400	10%	20%**	20%
(£1 - £34,800)	(10%)	(20%)	(20%)
Over £37,400	32.5%	40%	40%
(Over £34,800)	(32.5%)	(40%)	(40%)

* dividends are increased by a non-repayable tax credit of 1/9th. This includes non UK companies of which taxpayers own less than 10%

** 10% up to £2,440 (£2,320). If an individual's taxable non-savings income is above this limit, the 10% rate does not apply

Dividends are treated as the top slice of total income, savings as the next slice and other income as the lowest slice

Class 1 employee	2009/2010	2008/2009
Total weekly earnings		
up to £110 (£105)	nil	nil
£110 to £844 (£105 to £770)	11%*	11%*
over £844 (£770) <i>on excess</i>	1%	1%
* <i>contracted out rate is 9.4%</i>		
Employer		
up to £110 (£105)	nil	nil
over £110 (£105)	12.8%**	12.8%**
** <i>for money purchase schemes for earnings from £110 to £844 (£105 to £770) contracted out rate is 9.1% (9.1%) for salary related schemes, 11.4% (11.4%)</i>		
Class 1A employer	12.8% on taxable benefits	
Class 2 self employed	£2.40 pw if earning over £5,075 p.a. (£2.30 pw £4,825 p.a.)	
Class 3 voluntary	£12.05 pw (£8.10 pw)	
Class 4 self employed	8% on profits between £5,715 and £43,875 (between £5,435 and £40,040) and further 1% on profits above £43,875 (£40,040)	
NIC Class 2 Registration		
Within 3 months from self employment start		



Rates	2009/2010	2008/2009
Individuals	18%	18%
Trusts where settlor/settlor's minor child/ spouse/civil partner retains interest	As settlor's gain	As settlor's gain
Other trusts and personal representatives	18%	18%
Trusts for the vulnerable (subject to election)	As beneficiary's gain	As beneficiary's gain

Married couples/civil partnerships (unless permanently separated)

Transfers between spouses/civil partners - recipient is deemed to acquire the asset at 31 March 1982 and at the value at that date, or original date and at cost of acquisition if later

Exemptions

Individuals	£10,100	£9,600
Trusts	£5,050	£4,800

Exempt assets include main home, cars and chattels worth less than £6,000

Chattels worth more than £6,000: alternative charge on 5/3 excess over £6,000

Entrepreneurs' relief

'Lifetime' limit £1,000,000

Reduction in taxable gain (effective tax rate 10%) 4/9

Available on 'material disposals' of:

- Shares in a trading company (or holding company of a trading group) if an individual holds at least 5% ordinary share capital and voting rights throughout period of ownership, and is an officer or employee for at least 12 months
- All or part of a trading business the individual carries on alone or in partnership, for at least 12 months
- Assets of the individual's or partnership's trading business following cessation and used for over 12 months
- Assets owned by the individual and used by the connected trading partnership or personal trading company (or group) for over 12 months



Death rate	2009/2010	2008/2009
0% individuals	£1-£325,000	£1-£312,000
40% individuals	over £325,000	over £312,000
0% married couples/civil partners	£1-£650,000	£1-£624,000
40% married couples/civil partners	over £650,000	over £624,000

Lifetime gifts

- to an individual are initially not chargeable to tax
- to trusts established after 22/03/06 are taxable at 1/2 death rates

Gift within 7 years of death - tax at death rates payable, reduced as follows and credit given for any tax paid on lifetime gift:

Years	0-3	3-4	4-5	5-6	6-7
Reduction in tax	0%	20%	40%	60%	80%

Trusts established after 22/03/06, accumulation and maintenance trusts from 6 April 2008, and all discretionary trusts are subject to a charge of 6% on assets in excess of nil rate band at each tenth anniversary of creation of the trust and pro rata on exit at any other time. Certain trusts established on death are not liable to these charges

Main exemptions

Spouse/civil partner - both UK domiciled (or transferor non domiciled)		unlimited
Non domiciled spouse/civil partner - UK domiciled transferor		£55,000
Annual gifts per donor		£3,000
Small gifts per donee not exceeding		£250
Marriage/civil partnership gifts by	- parent	£5,000
	- other 'relative'	£2,500
	- other	£1,000
Regular gifts out of surplus income		unlimited
Charities and political parties		unlimited
Trusts for the vulnerable		unlimited

Business and agricultural relief

Relief for agricultural property and woodland retrospectively extended to the European Economic Area from 22/04/09 subject to six year time limit for reclaims of overpaid tax

Interest held for more than 2 years in a business, farm or shares in qualifying unlisted companies and let farmland held for more than 7 years - 100%

Assets used by qualifying company or business, or controlling holding in listed company - 50%

Payment date

6 months after death/chargeable transfer, or for lifetime gifts made 06/04 to 30/09, due 30/04 in next year

	Dividends	Interest	Other
Interest in possession trusts and up to £1,000 for discretionary & accumulation and maintenance trusts	10% (10%)	20% (20%)	20% (22%)
On income for non interest in possession trusts over £1,000	32.5% (32.5%)	40% (40%)	40% (40%)
Trusts where settlor or spouse/civil partner retains interest taxed as settlor's income			
Trusts for the vulnerable - subject to election taxed as beneficiary's income			

CORPORATION TAX

	Year to 31 March	
	2010	2009
Full rate	28%	28%
Intermediate rate (profits £300,000 to £1.5m)	29.75%	29.75%
Small company rate (profits to £300,000)	21%	21%

- Companies' chargeable gains included in profits chargeable to corporation tax and indexation relief continues to apply
- Large companies are entitled to a tax deduction equivalent to 130% of their actual expenditure on qualifying R&D. Other businesses 175%



- Plant and machinery - 20% (reducing balance)
40% first year allowance for expenditure incurred in the 12 month period, beginning for the purpose of corporation tax on 01/04/09 and for the purpose of income tax on 06/04/09
If working life of 25 years or more - 10% (reducing balance)
Fixtures integral to buildings - 10% (reducing balance)
Annual investment allowance £50,000 per annum (excluding cars)
- 100% for: restoring flats over pre-1980 shops; designated energy saving plant and machinery; scientific research; commercial buildings in enterprise zones; energy efficient technologies and low emission cars; renovation of business premises in disadvantaged areas; natural gas, biogas and hydrogen refuelling equipment
- Acquisition of intangibles (goodwill, intellectual property, etc.) allowances in line with accounting depreciation (min 5% p.a.)
- Hotels, industrial and agricultural buildings (straight line) - 3% 2008/2009
2% 2009/2010
1% 2010/2011
0% 2011/2012
- New cars (other than low emission cars); where car is acquired on or after 01/04/09 (for the purpose of corporation tax) and on or after 06/04/09 (for the purpose of income tax)
 - Up to 160g of CO₂/km: 20% reducing balance
 - Above 160g of CO₂/km: 10% reducing balance
- For leased cars with CO₂ emissions above 160g/km; where the lease is entered into on or after 01/04/09 or 06/04/09 respectively for corporation tax or income tax; 15% of lease charges are disallowed



Standard rate (<i>until 31 December 2009, then 17.5%</i>)	15%
Reduced rate	5%

VAT thresholds

If annual turnover less than:

£68,000 from 01/05/2009 - registration not necessary

£66,000 from 01/05/2009 - deregistration possible

£1,350,000 - eligible to use Cash Accounting scheme

£1,350,000 - eligible to use Annual Accounting scheme

£150,000 - eligible to use Flat Rate scheme

Car fuel scales (where private fuel provided)

24 bands based on CO₂ emissions

VAT inclusive charge for 3 month period between £126 and £441

See Budget note 69 for full details of bands

Errors on VAT Returns

Voluntary disclosure is the greater of £10,000 or 1% of VAT turnover in the period, subject to a maximum of £50,000

Exempt: All assets other than land and property, shares and interests in partnerships

Shares and securities: 0% up to £1,000
0.5% above £1,000

Rate	Residential land & property outside disadvantaged areas	Commercial land & property Residential land & property within disadvantaged areas
%	£	£
0	Up to 125,000*	Up to 150,000*
1	125,001 to 250,000*	150,001 to 250,000*
3	250,001 to 500,000	250,001 to 500,000
4	Over 500,000	Over 500,000

* Until 31/12/09 residential properties up to the value of £175,000 are exempt from stamp duty land tax

From 1 Oct 2007 to 30 Sept 2012 no charge on zero rated carbon emission homes up to £500,000. Above £500,000 the charge will be reduced by £15,000

New leases

Rate	Net Present Value of rent	
	Residential outside disadvantaged areas	Commercial & residential in disadvantaged areas
nil	Up to £125,000**	Up to £150,000
1%	Excess over £125,000**	Excess over £150,000

** until 31/12/09 residential properties up to the value of £175,000 are exempt, above £175,000 1% is charged on the excess over £125,000

Special rules apply to shared equity schemes

General rule

- Amount assessable is cost (including VAT) to employer

Exemptions

- Employee relocation expenses up to £8,000
- Incidental expenses of business trips per night up to £5 in the UK / £10 outside the UK
- Staff parties not exceeding £150 per employee p.a.
- One mobile phone per employee
- Benefit of occupying overseas holiday home owned by single purpose company

Loans

- Less than £5,001: no benefit
- Over £5,000: taxable on deemed interest at 'official rate'
- Special rules apply for some foreign currency loans

Living accommodation

- Greater of rateable value or rent and if after 22/04/09 premium for lease of 10 years or less paid by employer
- For accommodation where cost to employer was over £75,000, rateable value plus 'official rate' on excess of cost to employer over £75,000

'Official rate'

- With effect from 01/03/2009 - 4.75%

Private use of company car: scale benefits

- Benefit based on 10% to 35% of list price, dependant on CO₂ emissions
- Supplement of 3% for most diesel cars, subject to a maximum charge of 35%
- No adjustment for business mileage or additional cars
- Cars without an approved figure of CO₂ emissions will be taxed according to their engine size
- Special rules apply to LPG, electric and dual fuel cars, cars over 15 years old at the end of the tax year and to the value of accessories

Car fuel benefit - 2009/2010 (2008/2009)

The fuel benefit is a percentage of £16,900 (£16,900). The percentage is the same as used for the company car benefit

Private use of company vans

Vans available for private use: taxable benefit = £3,000. Further charge of £500 for private use of fuel

TAX FREE MILEAGE RATES

Employee's own car	Rate per mile
Annual business mileage up to 10,000 miles	40p
Each additional mile over 10,000 miles	25p

EMPLOYEE SHARE INCENTIVES

Share incentive plan - up to £3,000 of free shares p.a. plus further 2 shares for each share bought by employee (maximum free shares £6,000 p.a.). Open to all employees on similar terms. No tax or NI charges on grant or exercise if retained in plan 5 years. Increase in value after withdrawal from plan charged to CGT

Enterprise management incentives - increases to £120,000 from 6 April 2008 (previously £100,000) of share options offered per employee. Maximum £3m per company. No tax or NI on grant or exercise unless granted at undervalue. Increase in value on disposal chargeable to CGT

Other approved share incentive schemes also exist

Unapproved share option schemes - no limit, full discretion over qualifying employees. No tax or NI on grant of options lasting 10 years or less. Income tax charge on value when exercised plus (in certain circumstances) NI charge on exercise of options



Maximum contributions 100% of earnings to a limit of £245,000 (£235,000)

Up to £3,600 p.a. gross can be paid into pensions irrespective of earnings to age 75

Subject to any registration of protected pension funds, aggregate retirement benefits in excess of the Lifetime Allowance of £1.75 million (£1.65 million) may be subject to the Lifetime Allowance Charge of 55% of the surplus benefit

Where income exceeds £150,000 p.a. restrictions apply on relief for payments made after 22/04/09 of more than £20,000 unless regular contributions greater than this level have been paid in prior years

TAX SAVING INVESTMENTS

Subscriptions for shares in qualifying Enterprise Investment Schemes (EIS) companies and Venture Capital Trust (VCT) companies:

- Income tax relief: investment up to £500,000 in shares in EIS companies qualify for income tax relief at 20% if qualifying criteria met for 3 years. From 22/04/09 100% of the investment can be carried back to give relief in the prior year
- Income tax relief on investment of up to £200,000 on VCT companies qualify for income tax relief at 30% if qualifying criteria met for 5 years
- Capital gains exemption: gains on disposals of EIS and VCT shares are exempt from tax if qualifying criteria met for 3 years
- CGT deferral: gains on other assets may be deferred (and reinstated on the subsequent disposal of the EIS/VCT shares) if reinvested into qualifying EIS companies, or (if before 06/04/2004), a maximum of £100,000 p.a. into VCT shares

For individuals aged 18 or over

Annual ISA allowance is £7,200. Up to £3,600 of the allowance can be saved in cash with one ISA provider. The remainder of the £7,200 can be invested in stocks and shares with either the same or a different ISA provider

From 06/10/09 individuals aged 50 or over enjoy an increased 2009/10 ISA allowance of £10,200. Of this, up to £5,100 can be saved in cash

Individuals aged 16/17

Cash ISA only; maximum investment £3,600



April 2009

Sunday 5th

End of 2008/2009 tax year

Monday 6th

Beginning of 2009/2010 tax year

Tuesday 14th

Payment of any tax due in respect of CT61 for quarter to 31 March 2009. Company CT61 return for the quarter to 31 March due

Sunday 19th

PAYE/NIC due for month to 5/04/2009 (interest will run on any unpaid PAYE/NIC for the tax year 2008/2009)

Wednesday 22nd

Budget day

May 2009

Saturday 2nd

Deadline for submitting P46 (car) for employees whose car/fuel benefits changed during the quarter to 5 April 2009

Tuesday 19th

Deadline for employers' year end PAYE returns (P35, P14, P60) to be submitted

Tuesday 19th

PAYE/NIC due for month 5/05/2009

Sunday 31st

Deadline for copies of forms P60 to be issued to employees

June 2009

Friday 19th

PAYE/NIC due for month to 5/06/2009

Tuesday 30th

VAT reclaim deadline for submission of all claims to European VAT authorities

July 2009

Monday 6th

Deadline for forms P11D and P9D to be submitted to HM Revenue & Customs (HMRC) and copies to be issued to employees concerned

Monday 6th

Deadline for employers to report share incentives (Form 42)

Tuesday 14th

Payment of any tax due in respect of CT61 for quarter to 30 June 2009. Company CT61 return for the quarter to 30 June due

Sunday 19th

PAYE/NIC due for month to 5/07/2009

Also, Class 1A NIC due in respect of the year 2008/2009

July 2009 contd.

Friday 31st

Second payment on account of Income Tax for 2008/2009 tax year due
Second 5% penalty surcharge on any 2007/2008 outstanding tax due on 31 January 2009 still remaining unpaid
Second £100 penalty if 2007/2008 tax return due on 31 January 2009 still outstanding

August 2009

Saturday 1st

Deadline for submitting P46 (car) for employees whose car/fuel benefits changed during the quarter to 5 July 2009

Wednesday 19th

PAYE/NIC due for month to 5/08/2009

September 2009

Saturday 19th

PAYE/NIC due for month to 5/09/2009

October 2009

Monday 5th

Deadline for notifying HMRC of new sources of taxable income or gains if no tax return has been issued

Tuesday 14th

Payment of any tax due in respect of CT61 for quarter to 30 September 2009
Company CT61 return for the quarter to 30 September due

Monday 19th

PAYE/NIC due for month to 5/10/2009

Saturday 31st

Deadline for submitting your 2009/2010 Self Assessment return by post and if you require HMRC to compute your tax liability and/or if tax underpaid is to be collected by adjustment to your PAYE code (for underpayments up to £2,000 only)

November 2009

Sunday 1st

Deadline for submitting P46 (car) for employees whose car/fuel benefits changed during the quarter to 5 October 2009

Thursday 19th

PAYE/NIC due for month to 5/11/2009

Monday 30th

Deadline for submission of all relevant documentation to BRAL VAT (non EU traders)

December 2009

Saturday 19th

PAYE/NIC due for month to 5/12/2009

January 2010

Thursday 14th

Payment of any tax due in respect of CT61 for the quarter to 31 December 2009
Company CT61 return for the quarter to 31 December due

Tuesday 19th

PAYE/NIC due for the month to 5/01/2010

Sunday 31st

Deadline for submitting 2008/2009 Self Assessment return on line
(up to £100 penalty if your return is late)

Sunday 31st

Balance of 2008/2009 Income Tax and Capital Gains Tax due, plus first payment on account for 2009/2010 tax year (interest will run on any payment due and not paid)

February 2010

Tuesday 2nd

Deadline for submitting P46 (car) for employees whose car/fuel benefits changed during the quarter to 5 January 2010

Friday 19th

PAYE/NIC due for month to 5/02/2010

Sunday 28th

5% penalty surcharge on any 2008/2009 outstanding tax due on 31 January 2010 still remaining unpaid

March 2010

Wednesday 10th

Budget day (to be confirmed)

Friday 19th

PAYE/NIC due for the month to 5/03/2010

April 2010

Monday 5th

End of 2009/2010 tax year

Tuesday 6th

Beginning of 2010/2011 tax year

Wednesday 14th

Payment of any tax due in respect of CT61 for quarter to 31 March 2010. Company CT61 return for the quarter to 31 March due

Monday 19th

PAYE/NIC due for month to 5/04/2010 (interest will run on any unpaid PAYE/NIC for the tax year 2009/2010)