

Price Bailey

# Tax card 2018-19



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## INCOME TAX

Rates	18/19	17/18
Basic rate 20% on income up to		
UK excl. Scotland	£34,500	£33,500
Higher rate of 40% on income over:		
UK excl. Scotland	£34,500	£33,500
Additional rate of 45% on income over:		
UK excl. Scotland	£150,000	£150,000
<b>All UK taxpayers</b>		
Starting rate at 0% on savings income up to*	£5,000	£5,000
Savings allowance at 0% tax: Basic rate taxpayer	£1,000	£1,000
Higher rate taxpayer	£500	£500
Additional rate taxpayer	£0	£0
Dividend allowance at 0% tax – all individuals	£2,000	£5,000
Tax rates on dividend income: Basic rate	7.5%	7.5%
Higher rate	32.5%	32.5%
Additional rate	38.1%	38.1%
Trusts: Standard rate band generally	£1,000	£1,000
Rate applicable to trusts: Dividends	38.1%	38.1%
Other income	45%	45%

Different rates and bands apply to Scottish taxpayers

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

### High Income Child Benefit charge

1% of benefit per £100 of adjusted net income of £50,000 – £60,000

Main personal allowances and reliefs	18/19	17/18
Personal allowance*	£11,850	£11,500
Marriage/Civil partner's transferable allowance	£1,190	£1,150
Married couple's/Civil partner's allowance at 10%†		
(if at least one born before 6/4/35) – maximum	£8,695	£8,445
– minimum	£3,360	£3,260
Blind person's allowance	£2,390	£2,320
Rent-a-room relief	£7,500	£7,500
Property allowance and trading allowance (each)	£1,000	£1,000

\*Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

†Married couple's allowance reduced by £1 for every £2 of adjusted net income over

£28,900 (£28,000 for 17/18), until minimum reached

### Non-domicile remittance basis charge after UK residence in at least:

7 of the last 9 tax years	£30,000	£30,000
12 of the last 14 tax years	£60,000	£60,000

## REGISTERED PENSIONS

	18/19	17/18
Lifetime allowance	£1,030,000	£1,000,000
Money purchase annual allowance	£4,000	£4,000
Annual allowance*	£40,000	£40,000
Annual allowance charge on excess	applicable tax rate(s) on earnings	
Lifetime allowance charge if excess is drawn	as cash 55% as income 25%	
Max. pension commencement lump sum	25% of pension benefit value	

\*Subject to 50% taper down to £10,000 if threshold income is over £110,000 and adjusted income is over £150,000

## NATIONAL INSURANCE CONTRIBUTIONS

Class 1	Employee	Employer	
NIC rate	12%	13.8%	
No NICs for employees generally on the first	£162 pw	£162 pw	
No NICs for younger employees* on the first	£162 pw	£892 pw	
NICs rate charged up to	£892 pw	No limit	
2% NICs on earnings over	£892 pw	N/A	
Certain married women	5.85%	13.8%	
<b>Employment Allowance</b>			
Per business – not available if sole employee is a director		£3,000	
<b>Limits and Thresholds</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Annual</b>
Lower earnings limit	£116	£503	£6,032
Primary threshold	£162	£702	£8,424
Secondary threshold	£162	£702	£8,424
Upper earnings limit (and upper secondary thresholds*)	£892	£3,863	£46,350
<i>*Employees generally under 21 years and apprentices under 25 years</i>			
<b>Class 1A Employer</b> On car and fuel benefits and most other taxable benefits provided to employees and directors			13.8%
<b>Self-Employed Class 2</b> Flat rate	£2.95 pw		£153.40 pa
<b>Self-Employed</b> Small profits threshold: no NICs if profits do not exceed			£6,205 pa
<b>Self-Employed Class 4</b> On profits	£8,424–£46,350 pa		9%
	Over £46,350 pa		2%
<b>Class 3</b> Flat rate	£14.65 pw		£761.80
<b>Class 2 NIC</b> Special class 2 rate for volunteer development workers	£5.80 pw		

## PROPERTY TRANSACTION TAXES (SDLT & ATED)

<b>Stamp Duty and SDRT:</b> Stocks and marketable securities		0.5%
<b>Second residential properties</b> over £40,000 – add 3% to SDLT rate		
<b>Residential property value (on slices of value) UK (excl. Scotland &amp; Wales): %</b>		
<b>Stamp Duty Land Tax (SDLT)</b>		
Up to £125,000		0
£125,001–£250,000		2
£250,001–£925,000		5
£925,001–£1,500,000		10
Over £1,500,000		12
<b>First time homebuyers:</b> 0% on first £300,000 for properties up to £500,000		
<b>UK residential properties bought by companies etc</b> over £500,000 – 15% on total consideration		
<b>Commercial property value (on slices of value) UK (excl. Scotland &amp; Wales): SDLT</b>		<b>%</b>
Up to £150,000		0
£150,001–£250,000		2
Over £250,000		5
Different rates and bands apply to Scottish and Welsh taxpayers.		
No charge to stamp duty unless the duty exceeds £5. Charge is rounded up to the nearest £5.		
<b>Annual tax on enveloped dwellings (ATED)</b>		
<b>Residential property value</b>	<b>18/19</b>	<b>17/18</b>
£500,001 – £1,000,000	£3,600	£3,500
£1,000,001 – £2,000,000	£7,250	£7,050
£2,000,001 – £5,000,000	£24,250	£23,550
£5,000,001 – £10,000,000	£56,550	£54,950
£10,000,001 – £20,000,000	£113,400	£110,100
Above £20,000,000	£226,950	£220,350
Gains on disposals of ATED property are potentially subject to capital gains tax at 28%		
Non UK residents are subject to capital gains tax on sale of UK residential property		

## TAX INCENTIVISED INVESTMENTS

	18/19	17/18
<b>Individual Savings Account (ISA)</b>	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
Help to Buy ISA	£1,000 initial and £200 per month	
Junior ISA and Child Trust Fund	£4,260	£4,128
<b>Venture Capital Trust (VCT) at 30%</b>	£200,000	£200,000
<b>Enterprise Investment Scheme (EIS) at 30%</b>	£2,000,000*	£1,000,000
EIS eligible for CGT deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%

\*Above £1,000,000 must be in knowledge-intensive companies

## CAPITAL GAINS TAX

<b>Tax Rates – Individuals</b>	18/19	17/18
Within UK basic rate income tax band	10%	10%
Within UK higher and additional rate income tax bands	20%	20%
<b>Tax Rate – Trusts and Estates</b>	20%	20%
<b>Surcharge</b> for residential property & carried interest	8%	8%
<b>Exemptions</b>		
Annual exempt amount: Individuals, estates, etc	£11,700	£11,300
Trusts generally	£5,850	£5,650
Chattels: gain limited to 5/3rds of proceeds exceeding	£6,000	£6,000
<b>Entrepreneurs' Relief</b> 10% on lifetime limit of	£10,000,000	£10,000,000
For trading businesses and companies (minimum 5% employee/officer shareholding) held for at least one year		
<b>Investors' relief</b> lifetime limit on gains for external investors –	£10,000,000	£10,000,000

## INHERITANCE TAX

	18/19	17/18
Nil-rate band*	£325,000	£325,000
Residence nil-rate band*†	£125,000	£100,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000
100% relief: businesses, unlisted AIM companies, certain farmland/buildings		
50% relief: certain other business assets e.g. farmland let before 1/9/95		
Annual exempt gifts of: £3,000 per donor £250 per donee		

\*The unused proportion of a deceased spouse's/civil partner's nil-rate band(s) can be claimed on the survivor's death

†Subject to 50% taper for estates above £2,000,000

### 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

## VALUE ADDED TAX

Standard rate	20%	Reduced rate, e.g. on domestic fuel	5%
Registration level from 1/4/18			£85,000
Deregistration level from 1/4/18			£83,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limit			£1,350,000

## CAR BENEFITS

Taxable amount based on car's list price when new

Charge varies according to CO<sub>2</sub> emissions in g/km

For diesels that do not meet the RDE2 standard, add 4% to petrol figures below up to a maximum of 37%

CO <sub>2</sub> g/km	0–50	51–75	76–94	95 & above
Charge	13%	16%	19%	20% + 1% for each extra 5g/km over 95g/km up to max. 37%

Fuel Benefit – taxable amount for private use	18/19	17/18
CO <sub>2</sub> % charge used for car benefit multiplied by	£23,400	£22,600

## VANS – FOR PRIVATE USE

	18/19	17/18
Zero emission: chargeable amount	£1,340	£646
Other vans: chargeable amount	£3,350	£3,230
Fuel: chargeable amount	£633	£610

## TAX-FREE BUSINESS MILEAGE ALLOWANCE – OWN VEHICLE

Cars first 10,000 miles	45p per mile	thereafter 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

## MAIN CAPITAL AND OTHER ALLOWANCES

Plant and machinery 100% annual investment allowance (1st year)		£200,000
Enterprise zone plant and machinery (Max €125m per investment project)		100%
Plant and machinery (annual reducing balance)		18%
Patent rights and know-how (annual reducing balance)		25%
Certain long-life assets and integral features of buildings (annual reducing balance)		8%
Energy and water-efficient equipment		100%
Electric vans		100%

### Motor cars

CO <sub>2</sub> emissions of g/km:	50 or less*	51–110	111 or more
Capital allowance:	100% first year	18% pa <sup>†</sup>	8% pa <sup>†</sup>

\*New cars only

<sup>†</sup>Reducing balance

### Research and Development

Capital expenditure	100%
Revenue expenditure relief – Small/Medium-sized companies	230%
Research and development expenditure credit – Large companies	12%

### Effective rates of additional tax savings/credit for every £1 spent on R&D from 1 January 2018

SME (loss surrender for credit)	33.35p
SME (profit making)	24.70p
Large company (tax credit)	9.72p

## CORPORATION TAX

	Profits	Diverted Profits
Year to 31/3/19	19%	25%
Year to 31/3/18	19%	25%

Corporation tax at 32.5% on outstanding loans to participators

## STATE PENSION

	Weekly	Annual
Single tier pension – where state pension age reached after 5/4/16	£164.35	£8,546.20
Basic pension – Single person*	£125.95	£6,549.40
Basic pension – Spouse/civil partner*	£75.50	£3,926.00

\*State pension age reached before 6/4/16

## OTHER USEFUL RATES

<b>National Minimum Wage and National Living Wage</b>	<b>1/4/18 – 31/3/19</b>
Aged 25 & over (per hour)	£7.83
Aged 21 – 24 (per hour)	£7.38
Aged 18 – 20 (per hour)	£5.90
Aged under 18	£4.20
Apprentice	£3.70

**Benefit of employment related loans** **17/18**

Official rates of interest	2.5%
For loans exceeding £10,000 only	

## MAIN DUE DATES FOR TAX PAYMENTS

### Income Tax, NIC and Capital Gains Tax – Self-Assessment

31 Jan in tax year } Following 31 July }	• Normally 50% of previous year's income tax (less tax deducted at source) and class 4 NIC
Following 31 Jan	• Balance of income tax and class 4 NIC, and all CGT and class 2 NIC

### 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** Self-assessment: 9 months and one day after end of accounting period

- Payable by instalments where profits are £1.5m or over.  
Normally payable in 7th, 10th, 13th and 16th months after start of accounting period.
- Growing companies: no instalments where profits are £10m or less and the company was not a large company for the previous year.

Stamp duty:	30 days from date of transaction
On CGT disposal of non-resident property:	30 days from date of transaction

## COMPOSITE TAX RATES

The table below shows the marginal tax cost of extracting income from a tax paying company for personal use. Not all possibilities are shown. In this case, the term 'tax' includes income tax, corporation tax, capital gains tax and Class 1 NICs (13.8% for employer, 12% for basic rate tax paying employees aged 21 or over, and 2% for others).

<b>Method</b>	<b>Personal tax rate</b>	<b>18/19 %</b>	<b>17/18 %</b>
<b>Dividend</b>	Additional*	49.9	49.9
	Higher*	45.3	45.3
	Basic*	25.1	25.1
<b>Salary</b>	Additional	53.4	53.4
	Higher	49.0	49.0
	Basic	40.2	40.2
<b>Reinvest until exit</b>	<i>All†</i>	<i>27.1</i>	<i>27.1</i>

\*Ignoring the dividend allowance.

†Based on claim for full Entrepreneurs' relief.

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