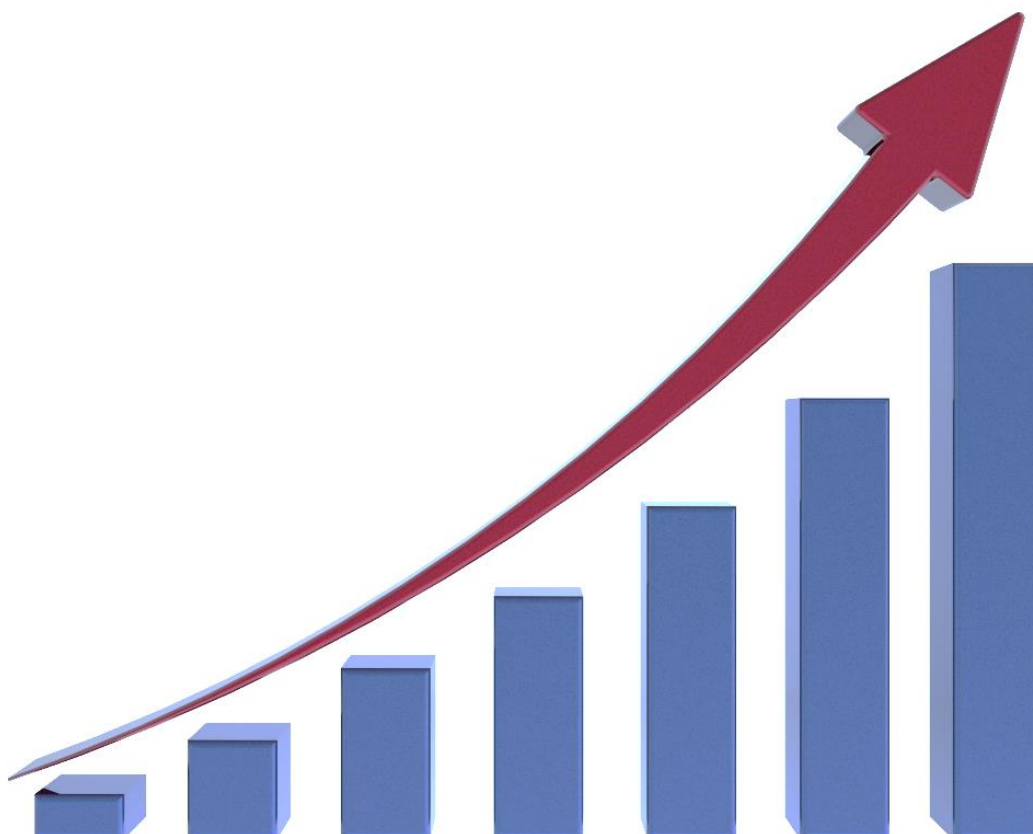




ACCOUNTING & MANAGEMENT SERVICES LIMITED

TAX FACTS

Tax rates and allowances
2017/2018



Income Tax Rates	2017/18	2016/17
Savings allowance for tax at 0% on savings income:		
• Basic rate taxpayers	£1,000	£1,000
• Higher rate taxpayers	£500	£500
• Additional rate taxpayers	£0	£0
Starting rate band - tax rate of 0% on savings income*	£5,000	£5,000
Basic rate band - tax rate of 20% on savings and non-savings income	£33,500	£32,000
Higher rate band - tax rate of 40% on savings and non-savings income	£33,501-£150,000	£32,001-£150,000
Additional rate band - tax rate of 45% on savings and non-savings income	£150,000+	£150,000+
Dividend tax credit	N/A	N/A
Dividend allowance for tax at 0% on dividend income	£5,000	£5,000
Tax rate on dividends:		
• Basic rate band	7.5%	7.5%
• Higher rate band	32.5%	32.5%
• Additional rate band	38.1%	38.1%
Rate applicable to trusts: Dividends	38.1%	38.1%
Other Income	45%	45%

*Not available if taxable non-savings income exceeds the starting rate limit.

Child benefit charge

1% of benefit per £100 of income from £50,000 to £60,000

Main personal allowances	2017/18	2016/17
Personal allowances*	£11,500	£11,000
Transferable tax allowance for married couples	£1,150	£1,100
Married couples'/civil partners' allowance at 10% † (if at least one born per 6/4/35)		
– maximum	£8,455	£8,355
– minimum	£3,260	£3,220
Rent-a-room tax-free income	£7,500	£7,500

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

† Age allowance reduced by £1 for every £2 of income over £28,000 (£27,700 2016/17).

Non-domicile remittance basis charge after UK residence in at least:	2017/18	2016/17
7 of the last 9 tax years	£30,000	£30,000
12 of the last 14 tax years	£60,000	£60,000
17 of the last 20 tax years	N/A	£90,000

Employee incentives

Enterprise Management Scheme (EMI)

A tax advantage share option scheme to help eligible smaller companies recruit and retain staff.

- No income tax on acquiring shares unless the exercise price is less than the market value at date of grant.
- No formal approval required.
- Open to any number of employees.
- Subject to overall limit of £3 million worth of shares.
- The maximum value of options per employee is £250,000.

Tax-efficient investments 2017/18

Individual savings accounts

ISA Annual limit	£20,000
Junior ISA/Child Trust Fund – Annual limit	£4,128
Lifetime ISA – Annual limit	£4,000
Help to Buy ISA	£1,000 initial and £200 per month

Enterprise Investment Scheme, Seed Enterprise Investment Scheme and Venture Capital Trusts

	EIS	SEIS	VCT
Income tax relief	30%	50%	30%
Maximum investment	£1,000,000	£100,000	£200,000

Certain types of asset-backed investments are excluded.

Other points to note:

EIS and SEIS

- Carry back to 2016/17 subject to the maximum investment limit.
- 3 year holding period for income tax relief and CGT exemption on sale.
- CGT reinvestment relief also available.

VCT

- Shareholders are exempt from tax on dividends.
- Disposals are exempt from capital gains tax.
- Income tax relief holding period is 5 years.

National Insurance Contributions 2017/18

Class 1

Employees			%
First £113.00 per week			Nil
Next £44.00 per week			*0
Next £709.00 per week			12
Above £866.00 per week			2
Employers	Employees Under 21 † %	Employees 21 & over † %	
First £113.00 per week	Nil		Nil
Next £44.00 per week	0		0
Next £709.00 per week	0		13.8
Above £866.00 per week	13.8		13.8

*Treated as paid Class 1 NIC. †Age 25 if an apprentice.

Employment allowance per business

Offset against employer's Class 1 NICs	£3,000
--	--------

Not available if a director is the sole employee

Class 1A Employers on benefits in kind 13.8%

Class 1B Employers on PAYE settlement agreements 13.8%

Class 2 Self-employed £2.85 per week. Exemption available
If net earnings below £6,025 (small profit threshold).

Class 3 Voluntary rate £14.25 per week.

Class 4 Self-employed - 9% of profits between £8,164 and
£45,000 plus 2% of profits above £45,000.

Capital Gains Tax	2017/18	2016/17
Exemptions		
Individuals, estates, etc.	£11,300	£11,100
Trusts generally	£5,650	£5,550
Chattels exemptions: proceeds up to	£6,000	£6,000
Tax rates – Individuals Up to basic rate limit	10%	10%
Above basic rate limit	20%	20%
Tax rates – Trusts and Estates	20%	20%
Surcharge for residential property and carried interest	8%	8%
Entrepreneurs' relief		
10% on lifetime limit of	£10,000,000	£10,000,000
For trading business and companies (minimum 5% employee/director shareholding held for at least 1 year.		
Investors' relief		
10% on lifetime limit of	£10,000,000	£10,000,000
For newly issued shares in unlisted trading companies held for at least 3 years (not by employees/officers of the company)		

Inheritance Tax					
Taxable estate & gifts	2017/18			2016/17	
Nil rate band	£325,000			£325,000	
Residence nil-rate band*	£100,000			N/A	
Rate of tax on excess	40%†			40%†	
Lifetime transfers to and from certain trusts	20%			20%	
† 36% where at least 10% of net estate left to charity					
Main exemptions					
Annual gifts per donor £3,000. Small gifts per donee £250.					
Gifts within 7 years of death					
Years before death	0-3	3-4	4-5	5-6	6-7
% of death rate charge	100	80	60	40	20
Nil rate band transfers					
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.					

Value Added Tax	
Standard rate	20%
Reduced rate e.g. on domestic fuel	5%
Registration level from 1/4/17	£85,000
Deregistration level from 1/4/17	£83,000
Flat rate scheme turnover limit	£150,000
Cash and annual accounting schemes turnover limit	£1,350,000

Annual Tax on Enveloped Dwellings (ATED)	2017/18	2017/16
Payable each year by certain companies, partnerships or collective investment vehicles which own residential property.		
Residential Property Value		
£500,000 - £1,000,000	£3,500	£3,500
£1,000,000 – £2,000,000	£7,050	£7,000
£2,000,001 - £5,000,000	£23,550	£23,350
£5,000,001 - £10,000,000	£54,950	£54,450
£10,000,001 - £20,000,000	£110,100	£109,050
Over £20,000,000	£220,350	£218,200
Relief is available from the charge where the qualifying conditions are satisfied.		

Stamp Duties

Stamp Duty

Stocks and marketable securities	0.5%
No charge to stamp duty unless the duty exceeds £5.	

Stamp Duty Land Tax for England, Wales and Northern Ireland

Residential (on slice of property value)

£125,000 or less	Nil
£125,001 - £250,000	2%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
Over £1,500,000	12%

- Rates increased by 3% for additional properties over £40,000.
- 15% on total value of properties worth over £500,000 if purchased by certain companies and other non-natural entities.

Commercial (on slices of property value)

£150,000 or less	Nil
£150,001 - £250,000	2%
Over £250,000	5%

Pensions

	2017/18	2016/17
Lifetime allowance	£1,000,000	£1,000,000
Annual allowance	£40,000	£40,000*
Money purchase annual allowance	£4,000	£10,000
Lifetime allowance charge	55% if excess drawn as cash 25% if excess drawn as income	

Maximum relivable personal contribution capped by the annual allowance and: 100% of relevant UK earnings or £3,600 if greater.

Maximum pension

Commencement lump sum 25% of pension benefit value

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

Basic State Pensions

	2017/18	2016/17
Single person per week*	£159.55	£155.65
Basic – Single person per week†	£122.30	£119.30
Basic – Spouse's/civil partner's per week†	£73.30	£71.50

*State pension age reached after 5/4/16

†State pension age reached before 6/4/16.

Corporation Tax

	Profits
Year to 31/3/18	19%
Year to 31/3/17	20%

Car benefits 2017/18

Taxable amount based on a car's list price when new.

Charge varies according to CO₂ emissions in grams per kilometre.

CO ₂ emissions g/km	Petrol %	Diesel %	CO ₂ emissions g/km	Petrol %	Diesel %
0-50	9	12	140-144	27	30
51-75	13	16	145-149	28	31
76-94	17	20	150-154	29	32
95-99	18	21	155-159	30	33
100-104	19	22	160-164	31	34
105-109	20	23	165-169	32	35
110-114	21	24	170-174	33	36
115-119	22	25	175-179	34	37
120-124	23	26	180-184	35	37
125-129	24	27	185-189	36	37
130-134	25	28	190 and over	37	37
135-139	26	29			

Private fuel

Multiply the CO₂ % for car benefit by

£22,600

Vans- for private use

	2017/18	2016/17
Zero emission: chargeable amount	£646	£634
Other vans: chargeable amount	£3,230	£3,170
Fuel: chargeable amount	£610	£598

Tax-free mileage allowable – own vehicle

Cars: 45p per mile first 10,000 business miles then 25p per mile

Qualifying passenger: 5p per business mile

Motorcycles: 24p per business mile Bicycles: 20p per business miles

Capital allowances

Plant and machinery 100% annual investment allowance (first 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%

Motor cars

CO ₂ emissions of g/km:	75 or less*	76-130	131 or more
Capital allowance:	100% first year	18% pa†	8% pa†
*Only for new cars			†Reducing balance

Research and development

Capital expenditure	100%
Revenue expenditure – Small/Medium sized companies	230%
Large companies can alternatively claim an above the line tax credit of 11% of qualifying revenue expenditure.	

Financial calendar 2017/18

Every month

1	Annual corporation tax due for companies (other than large companies) with year ending nine months and a day previously, e.g. tax due 1 October 2017 for year ending 31 December 2016.
14	Quarterly instalment of corporation tax due for large and very large companies (month depends on accounting year-end).
19	Pay PAYE/NIC and CIS deductions for period ending 5th of the month if not paying electronically. Submit CIS contractors' monthly return.
22	PAYE/NIC and CIS deductions paid electronically should have cleared into HMRC bank account.
Month end	Submit CT600 for year ending 12 months previously. Last day to amend CT600 for year ending 24 months previously. File accounts with Companies House for private companies with year ending nine months previously and for public companies with year ending six months previously.

If the due date for payment falls on a weekend or bank holiday, payment must normally be made by the previous working day

March 2017

- | | |
|-----------|---|
| 31 | Last few days to use any pension, CGT and IHT annual allowances and exemptions, and to invest in an ISA in 2016/17. |
|-----------|---|

April 2017

- | | |
|-----------|--|
| 1 | Final staging date for businesses (unless commenced after 31 March 2012) to automatically enrol staff into a workplace pension scheme. (Businesses started after 31 March 2012 have staging dates up to 1 February 2018.) |
| | Deadline for making a payment of Class 3A voluntary NIC to top-up entitlement to the additional state pension. |
| 5 | Last day to submit final RTI Full Payment Submission (FPS) or Employer Payment Submission (EPS) for 2016/17.
Final day to register online to 'payroll' benefits and expenses in 2017/18. |
| 6 | First day of the 2017/18 tax year. Changes to many tax allowances, rates and Thresholds, and ISA limits. Start of phased restriction to residential property mortgage interest relief. Introduction of new domicile rules. Money purchase annual allowance reduced. Tax benefit from certain salary sacrifice arrangements restricted. |
| 19 | Final day to send a late FPS for 2016/17. (After 19 April, corrections for 2016/17 must be made on a RTI Earlier Year Update. A penalty will usually be charged.) |
| 30 | IHT due on lifetime transfers between 6 April and 30 September 2016. (IHT on other transfers payable six months after the end of the month in which the transfer or death occurred.) |

May 2017

- | | |
|-----------|---|
| 1 | Start of daily penalty where the 2015/16 tax return has not been filed (charged for up to 90 days). |
| 31 | Last date to issue 2016/17 P60s to employees. |

July 2017

- | | |
|----------|---|
| 5 | Last date to agree a 2016/17 PAYE Settlement Agreement (PSA) with HMRC. |
|----------|---|

- 6** Deadline for employers to make returns of expenses and benefits (forms P11D and P11D(b)) for 2016/17 to HMRC and provide copies to employees.
Deadline for online filing of 2016/17 returns for all employee share schemes, with online registration by this date for new schemes set up during 2016/17.

- 31** Deadline for confirming tax credit claims for 2016/17 and renewing for 2017/18.

August 2017

- 1** Penalty of 5% of the tax due or £300, whichever is greater, where the 2015/16 tax return has not been filed.

October 2017

- 5** Deadline to register for self-assessment for 2016/17.

- 22** Deadline for paying tax and Class 1B NIC on PSAs (19th if not paying electronically).

- 31** Deadline for 2016/17 tax return if filed on paper.

January 2018

- 31** Deadline for 2016/17 tax return if filed online. Pay balance of 2016/17 income tax, Class 4 NIC, and all CGT and Class 2 NIC, plus first payment on account for 2017/18.

February 2018

- 1** Initial penalty imposed where the 2016/17 tax return has not been filed or has been filed on paper after 31 October 2017.

March 2018

- 2** Last day to pay 2016/17 tax to avoid automatic 5% penalty.

- 31** Last few days to use any pension, CGT and IHT annual allowances and exemptions and to invest in an ISA in 2017/18.

Subject to Finance Act 2017.

For information only

You are advised to consult us before making decisions or acting on the basis of information given herein.

