



ACCOUNTING & MANAGEMENT SERVICES LIMITED

TAX FACTS

Tax rates and allowances
2016/2017



Income Tax Rates	2016/17	2015/16
Savings allowance for tax at 0% on savings income:		
• Basic rate taxpayers	£1,000	N/A
• Higher rate taxpayers	£500	N/A
• Additional rate taxpayers	£0	N/A
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	<£32,000	<£31,785
Higher rate band - tax rate of 40% on savings and non-savings income	£32,001-£150,000	£31,786-£150,000
Additional rate band - tax rate of 45% on savings and non-savings income	£150,000+	£150,000+
Dividend tax credit	N/A	10%
Dividend allowance for tax at 0% on dividend income	£5,000	N/A
Tax rate on dividends:		
• Basic rate band	7.5%	10%
• Higher rate band	32.5%	32.5%
• Additional rate band	38.1%	37.5%
Rate applicable to trusts: Dividends	38.1%	37.5%
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	2016/17	2015/16
Personal allowances*	£11,000	£10,600
Transferable tax allowance for married couples	£1,100	£1,060
Personal age allowance if born pre 6/4/38†	N/A	£10,660
Married couples'/civil partners' allowance at 10%† (if at least one born pre 6/4/35)		
– maximum	£8,355	£8,355
– minimum	£3,220	£3,220
Rent-a-room tax-free income	£7,500	£4,250

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

†Age allowance reduced by £1 for every £2 of income over £27,700

Non-domicile remittance basis charge after UK residence in at least:	2016/17	2015/16
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	£90,000	£90,000

Employee incentives

Enterprise Management Scheme (EMI)

To help eligible smaller higher risk companies recruit and retain staff needed to help them achieve their growth potential.

Key features

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 2016/17

Individual savings accounts

Annual limit	£15,240
Junior ISA/Child trust fund	£4,080
Help to Buy ISA (from 1/12/15)	£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 2015/16 subject to the max. 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 2016/17

Class 1 Employed

Employees	%
First £112.00 per week	Nil
Next £43.00 per week	*0
Next £672.00 per week	12
Above £827.00 per week	2

Employers

	Employees Under 21 † %	Employees 21 & over † %
First £112.00 per week	Nil	Nil
Next £44.00 per week	0	0
Next £671.00 per week	0	13.8
Above £827.00 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
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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 £2.80 per week. Exemption available if net earnings below £5,965 (small profit threshold).

Class 3 Voluntary rate £14.10 per week.

Class 3A Voluntary amount depending on age

Class 4 Self-employed 9% of profits between £8,060 and £43,000 plus 2% of profits above £43,000.

Capital Gains Tax		2016/17	2015/16
Exemptions			
Individuals, estates, etc.		£11,100	£11,100
Trusts generally		£5,550	£5,550
Chattels exemptions: proceeds up to		£6,000	£6,000
Tax rates – Individuals	Up to basic rate limit	10%	18%
	Above basic rate limit	20%	28%
Tax rates – Trusts and Estates		20%	28%
Surcharge for residential property and carried interest		8%	0%
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	N/A
For newly issued shares in unlisted trading companies held for at least 3 years (not by employees/officers of the company)			

Inheritance Tax		2016/17	2015/16
Taxable estate & gifts			
Nil rate band		£325,000	£325,000
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 1/4/16	£83,000
Deregistration level from 1/4/16	£81,000
Flat rate scheme turnover limit	£150,000
Cash and annual accounting schemes turnover limit	£1,350,000

Annual Tax on Enveloped Dwellings (ATED) 2016/17

Payable each year by certain companies, partnerships or collective investment vehicles which own residential property.

Residential Property Value	2017/16	2015/16
£500,000 - £1,000,000	£3,500	Nil
£1,000,000 – £2,000,000	£7,000	£7,000
£2,000,000 - £5,000,000	£23,350	23,350
£5,000,000 - £10,000,000	£54,450	£54,450
£10,000,000 - £20,000,000	£109,050	£109,050
Over £20,000,000	£218,200	£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.
- 15% on total value of properties worth over £500,000 if purchased by 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

Pensions	2016/17	2015/16
Lifetime allowance	£1,000,000	£1,250,000
Annual allowance	£40,000*	£80,000
Money purchase annual allowance	£10,000	£10,000
Lifetime allowance charge	55% if excess drawn as cash 25% if excess drawn as income	
Annual allowance charge (on excess)	20% - 45%	20% - 45%
Maximum relievable personal contribution capped by the annual allowance and: 100% of relevant UK earnings <i>or</i> £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

	2016/17	2015/16
Single person per week*	£119.30	£115.95
Spouse's/civil partner's per week *	£71.50	£69.50
Single tier†	£155.65	N/A

*State pension age reached before 6/4/16

†State pension age reached after 5/4/16

Corporation Tax

Rate on taxable profits	20%
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Car benefits 2016/17

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	7	10	145-149	26	29
51-75	11	14	150-154	27	30
76-94	15	18	155-159	28	31
95-99	16	19	160-164	29	32
100-104	17	20	165-169	30	33
105-109	18	21	170-174	31	34
110-114	19	22	175-179	32	35
115-119	20	23	180-184	33	36
120-124	21	24	185-189	34	37
125-129	22	25	190-194	35	37
130-134	23	26	195-199	36	37
135-139	24	27	200 & over	37	37
140-144	25	28			

Fuel benefits – taxable amount for private use

Multiply the CO₂ % for car benefit by £22,200

Vans- for private use	2016/17	2015/16
Zero emission: chargeable amount	£634	£630
Other vans: chargeable amount	£3,170	£3,150
Fuel: flat charge	£598	£594

Tax-free mileage allowable – own vehicle

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

Qualifying passenger: 5p per business mile

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

Main capital and other allowances

Plant and machinery 100% annual investment allowance (first year):

To 31/12/15 £500,000 From 1/1/16 £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%

Business premises renovations 100%

Motor cars

CO₂ 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 130%

Large companies can alternatively claim an above the line tax credit of 11%.

Financial calendar 2016/17

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 2016 for year ending 31 December 2015.
- 14** Quarterly instalment of corporation tax due for 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 2016

- 31** Last few days to use any pension, CGT and IHT annual allowances and exemptions, and to invest in an ISA in 2015/16.

April 2016

- 1** Stamp duty land tax and land and buildings transaction tax rates increased by 3% for most purchases of additional residential properties.
- Lowering of threshold for Annual Tax on Enveloped Dwellings (ATED) charge on properties to £500,000.
- 5** Final day of 2015/16 tax year.
- 6** First day of the 2016/17 tax year. Changes apply to tax allowances, rates and thresholds.
Start of tax-free savings and dividend allowances and gross payment of bank and building society interest. End of the dividend tax credit.
- Start of pension annual allowance tapering where income exceeds £150,000.
Lifetime allowance reduced to £1 million.
Rent-a-room relief up to £7,500.
Start of the new State Pension.
- 19** Last day for employers to report final payments to employees (FPS) for 2015/16 under RTI.

30 IHT due on lifetime transfers between 6 April and 30 September 2015. (IHT on other transfers payable six months after the end of the month in which the transfer or death occurred.)

May 2016

- 1** Start of daily £10 penalty where the 2014/15 tax return has not been filed (charged for up to 90 days).
- 19** Deadline to submit RTI earlier year update for 2015/16 and avoid a penalty if the final FPS for any employee was not made by 19 April.
- 31** Last day to issue 2015/16 P60s to employees.

July 2016

- 5** Last date to agree a 2015/16 PAYE Settlement Agreement (PSA) with HMRC.
- 6** Deadline for employers to make sure returns of expenses and benefits (forms P11D, P9D and P11D(b)) for 2015/16 to HMRC and provide copies to employees.
Deadline for online filing of 2015/16 returns for all employee share schemes, with online registration by this date for new schemes set up during 2015/16.

August 2016

- 1** Penalty of 5% of the tax due or £300, whichever is greater, where the 2014/15 tax return has not been filed.

October 2016

- 1** Deadline to register for self-assessment for 2015/16.
- 22** Pay tax and Class 1B NIC on PSAs (19th if not paying electronically).
- 31** Deadline for 2015/16 tax return if filed on paper.

January 2017

- 31** Submit 2015/16 self-assessment tax return online. Pay balance of 2015/16 income tax, Class 2 NIC and CGT plus first payment on account for 2016/17.

February 2017

- 1** Initial £100 penalty imposed where the 2015/16 tax return has not been filed or has been filed on paper after 31 October 2016.

March 2017

- 1** Last day to pay 2015/16 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 2016/17.

April 2017

- 1** The final staging date for businesses (unless they commenced after 1 April 2012) to automatically enrol staff into a workplace pension scheme.
- 5** Deadline for making a payment of Class 3A voluntary NIC to top-up entitlement to the additional state pension.

Subject to Finance Act 2016.

For information only

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