

## CAPITAL GAINS TAX

	2009/10	2008/09
<b>Individuals</b>	£	£
Exemption	10,100	9,600
Balance of gains	18%	18%
<b>Trusts</b>		
Exemption	5,050	4,800
Balance of gains	18%	18%

### Entrepreneurs' Relief

For gains arising on or after 6 April 2008, the first £1m of qualifying gains are charged at an effective rate of 10%. Gains in excess of £1m are charged at 18%.

## INHERITANCE TAX

Death rate	Lifetime rate	Chargeable transfers	
		2009/10	2008/09
%	%	£'000	£'000
Nil	Nil	0 - 325*	0 - 312*
40	20	Over 325*	Over 312*

\*Potentially increased for surviving spouses or civil partners who die on or after 9 October 2007.

### Reliefs

Annual exemption	£3,000	Marriage - parent	£5,000
Small gifts	£250	- grandparent	£2,500
		- bride/groom	£2,500
		- other	£1,000

### Reduced charge on gifts within seven years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20

## STAMP DUTY AND STAMP DUTY LAND TAX

Rate	Land and buildings (on full consideration paid)		
	Residential property*		Non-residential
	Disadvantaged areas	Other	£
Nil	£	£	£
1%	0 - 150,000*	0 - 125,000*	0 - 150,000
3%	150,001* - 250,000	125,001* - 250,000	150,001 - 250,000
4%	250,001 - 500,000	250,001 - 500,000	250,001 - 500,000
	Over 500,000	Over 500,000	Over 500,000

\*£175,000 for transactions with an effective date on or after 3 September 2008 and before 1 January 2010.

Shares and securities - rate 0.5%.

## NATIONAL INSURANCE

Class 1 (employed) contracted in		2009/10 rates	
Weekly earnings		Employer	Employee
Up to £110		Nil*	Nil*
£110.01 - £844		12.8%**	11%**
Over £844		12.8%**	£80.74 + 1%*

\*Entitlement to contribution-based benefits retained for earnings between £95.01 and £110 per week.  
\*\*On earnings above £110. \*On earnings above £844.

Class 1A (employers)	12.8% on employee taxable benefits
Class 1B (employers)	12.8% on PAYE Settlement Agreements
Class 2 (self-employed)	flat rate per week £2.40
	small earnings exception £5,075 p.a.
	flat rate per week £12.05
Class 3 (voluntary)	8% on profits between £5,715 and £43,875
Class 4 (self-employed)	plus 1% on profits over £43,875

## MAIN SOCIAL SECURITY BENEFITS

Weekly benefit	2009/10	2008/09
<b>Basic retirement pension</b>		
- single person	£95.25	£90.70
- married couple	£152.30	£145.05
<b>Statutory pay rates - average weekly earnings £95 (£90) or over</b>		
Statutory Sick Pay	£79.15	£75.40
Statutory Maternity Pay		
First six weeks	90% of weekly earnings	
Next 33 weeks	£123.06*	£117.18*
Statutory Paternity Pay - two weeks	£123.06*	£117.18*
Statutory Adoption Pay - 39 weeks	£123.06*	£117.18*

\*Or 90% of weekly earnings if lower.

## SELF ASSESSMENT: KEY DATES 2009/10

- 31 July 2009** - Second payment on account for 2008/09.
- 5 October 2009** - Deadline for notifying HMRC of new sources of income if no tax return has been issued for 2008/09.
- 31 October 2009** - Deadline for submission of 2008/09 non-electronic returns. Also, the deadline for submission of 2008/09 returns requiring HMRC calculation and where the taxpayer wants a balancing payment (below £2,000) collected through their 2010/11 PAYE code.
- 31 January 2010** - Deadline for filing electronic tax returns for 2008/09. Balancing payment due for 2008/09. First payment on account due for 2009/10.

The information in this tax card is based upon the 2009 Budget and earlier announcements and may be subject to amendment by the Finance Act.

# bentleys

CHARTERED ACCOUNTANTS

Hazlemere, 70 Chorley New Road,  
Bolton, Lancashire BL1 4BY  
Tel: 01204 388675 Fax: 01204 381204  
Email: info@bentleys-accountants.co.uk  
Web site: www.bentleys-accountants.co.uk



## Tax Rates



## INCOME TAX RATES

2009/10		2008/09	
Band	Rate	Band	Rate
£	%	£	%
0 - 2,440	10*	0 - 2,320	10*
2,441 - 37,400	20**	2,321 - 34,800	20**
Over 37,400	40*	Over 34,800	40*

\* Only applicable to dividends and savings income.  
\*\* Except dividends (10%).  
\* Except dividends (32.5%).  
Other income taxed first, then savings income and finally dividends.

## INCOME TAX RELIEFS

	2009/10	2008/09
	£	£
<b>Personal allowance</b>		
- under 65	6,475	6,035
- 65 - 74*	9,490	9,030
- 75 and over*	9,640	9,180
<b>Married couple's allowance (relief at 10%)</b>		
- aged less than 75 and born before 6.4.35*	n/a	6,535
- 75 and over*	6,965	6,625
- min. amount	2,670	2,540
<b>*Age allowance income limit (Reduce age allowance by £1 for every £2 of excess income over £22,900.)</b>	22,900	21,800
<b>Blind person's allowance</b>	1,890	1,800

## TAX CREDITS

	2009/10	2008/09
	£	£
<b>Working Tax Credit</b>		
Basic element - max.	1,890	1,800
Childcare element		
80% of eligible costs up to £175 per week (£300 if two or more children).		
<b>Child Tax Credit (CTC)</b>		
Child element		
per child - max.	2,235	2,085
Family element	545	545
Baby addition	545	545

### Reductions in maximum rates

39% of income above £6,420\* p.a.  
\*If only CTC is claimed, the threshold is £16,040 (£15,575) p.a. The family element of CTC is not reduced unless income is more than £50,000 p.a. when it is reduced by £1 for every £15 of additional income.

## PENSION PREMIUMS

- Tax relief available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings.
- Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively'. Tax relief for large contributions may be spread over several years.
- Any contributions in excess of £245,000 (£235,000), whether personal or by the employer, may be subject to income tax on the individual at 40%.
- No carry back of pension contributions.

## CAR, VAN AND FUEL BENEFITS

2009/10	
CO <sub>2</sub> emissions (gm/km) (round down to nearest 5gm/km)	% of car's list price taxed
up to 135	15
140	16
145	17
150	18
155	19
160	20
165	21
170	22
175	23
180	24
185	25
190	26
195	27
200	28
205	29
210	30
215	31
220	32
225	33
230	34
235 and above	35

### Company cars

- For diesel cars add a 3% supplement but maximum still 35%. Euro IV diesel cars registered before 1 January 2006 do not suffer the 3% supplement.
- Discounts apply to certain environmentally friendly cars.
- A 10% rate applies to non-electric cars with emissions of no more than 120gm/km. Environmentally friendly discounts do not apply to these cars but the diesel supplement does.
- For cars registered before 1 January 1998 the charge is based on engine size.
- The list price includes accessories and is subject to an upper limit of £80,000.
- The list price is reduced for capital contributions made by the employee up to £5,000.

### Car fuel benefit 2009/10 and 2008/09

£16,900 x 'appropriate percentage'  
\*percentage used to calculate the taxable benefit of the car for which the fuel is provided. No change to this calculation was announced on Budget Day.  
The charge is proportionately reduced if provision of private fuel ceases part way through the year. The fuel benefit is reduced to nil only if the employee pays for all private fuel.

### Van benefit per vehicle

2009/10 and 2008/09

Van benefit £3,000

Fuel benefit £500

The charges will not apply if a 'restricted private use condition' is met throughout the year.

## MILEAGE ALLOWANCE PAYMENTS

	2009/10	2008/09
<b>Cars and vans</b>		
Up to 10,000 miles	40p	
Over 10,000 miles	25p	
<b>Bicycles</b>	20p	
<b>Motorcycles</b>	24p	

These rates represent the maximum tax free mileage allowances for employees using their own vehicles for business. Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

## INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

	2009/10	£
Overall annual investment limit		7,200 (10,200*)
Comprising - cash up to		3,600 (5,100*) max.
- balance in stocks and shares		7,200 (10,200*) max.

\*From 6 October 2009 for those aged 50 and over.

## CORPORATION TAX

	Years to 31.3.10 and 31.3.09	
	Profits band	Rate
	£	%
Small companies rate	0-300,000	21*
Marginal (small companies) rate	300,001-1,500,000	29.75*
Full rate	Over 1,500,000	28*
Small companies fraction		7/400*

The profits limits are reduced for accounting periods of less than 12 months and for a company with associated companies.  
\*Different rates apply for ring-fenced (broadly oil industry) profit.

## CAPITAL ALLOWANCES

**Plant and machinery - Annual Investment Allowance (AIA)**  
The AIA applies to expenditure incurred on or after 6 April 2008 (1 April 2008 for companies). The AIA gives a 100% write-off on most types of plant and machinery costs, including integral features and long life assets but not cars, of up to £50,000 p.a.  
Any costs over the AIA fall into the normal capital allowance pools at either 10% or 20%. The £50,000 limit may need to be shared between certain businesses under common ownership.  
**Other plant and machinery allowances**  
The annual rate of allowance is 20% from 6 April 2008 (1 April 2008 for companies). A 10% rate applies to expenditure incurred on integral features and on long life assets on or after 6 April 2008 (1 April 2008 for companies). Long life asset expenditure brought forward receives the 10% rate.  
A temporary 40% first year allowance may be due for certain expenditure exceeding the AIA incurred in the 12 month period beginning on 6 April 2009 (1 April 2009 for companies). A 100% first year allowance may still be available on certain energy efficient plant and cars.

**Cars**  
For expenditure incurred on cars on or after 6 April 2009 (1 April 2009 for companies), costs will generally be allocated to one of the two plant and machinery pools. Cars with CO<sub>2</sub> emissions not exceeding 160gm/km will receive a 20% allowance p.a. Cars with CO<sub>2</sub> emissions over 160gm/km will receive a 10% allowance p.a.

**Industrial and agricultural buildings and hotels**  
The annual rate of allowance is 2% (3% from 6 April 2009 (1 April 2009 for companies)). Special rules apply for accounting periods straddling these dates.

## VALUE ADDED TAX

Standard rate	17.5%*
Reduced rate	5%
Annual Registration Limit - from 1.5.09 (1.4.08 - 30.4.09)	£67,000
Annual Deregistration Limit - from 1.5.09 (1.4.08 - 30.4.09)	£65,000
	£66,000

\*15% from 1 December 2008 - 31 December 2009.