2019/20 tax **rates**

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Income Tax

Allowances	2019/20	2018/19
Personal Allowance (PA)*	£12,500	£11,850
Marriage Allowance†	1,250	1,190
Blind Person's Allowance	2,450	2,390
Rent a room relief**	7,500	7,500
Trading Income**	1,000	1,000
Property Income**	1,000	1,000

*PA is withdrawn at £1 for every £2 by which 'adjusted income' exceeds £100,000. There is no allowance given above £125,000 (2018/19: £123,700).

† The part of the PA that is transferable to a spouse or civil partner who is not a higher or top rate taxpayer.

**If gross income exceeds it, the limit may be deducted instead of actual expenses.

Rate bands	2019/20	2018/19
Basic Rate Band (BRB)	£37,500	£34,500
Higher Rate Band (HRB)	37,501 – 150,000	34,501 – 150,000
Additional rate	over 150,000	over 150,000
Personal Savings Allowance (PSA)		
– Basic rate taxpayer	1,000	1,000
– Higher rate taxpayer	500	500
Dividend Allowance (DA)	2,000	2,000

BRB and additional rate threshold are increased by personal pension contributions (up to permitted limit) and Gift Aid donations.

Tax rates	2019/20 & 2018/19		
Rates differ for General/Savings/Dividend income	G	S	D
Basic rate	20%	20%	7.5%
Higher rate	40%	40%	32.5%
Additional rate	45%	45%	38.1%

General income (salary, pensions, business profits, rent) usually uses personal allowance, basic rate and higher rate bands before savings income (interest). Scottish taxpayers are taxed at different rates on general income (see below).

To the extent that savings income falls in the first £5,000 of the basic rate band, it is taxed at nil rather than 20%.

The PSA taxes interest at nil, where it would otherwise be taxable at 20% or 40%.

Dividends are normally taxed as the 'top slice' of income. The DA taxes the first £2,000 of dividend income at nil, rather than the rate that would otherwise apply.

Income tax - Scotland

		2019/20	2018/19
Starter rate	19%	£2,049	£2,000
Basic rate	20%	2,050 – 12,444	2,001 – 12,150
Intermediate rate	21%	12,445 – 30,930	12,151 – 31,580
Higher rate	41%	30,931 – 150,000	31,581 – 150,000
Top rate	46%	over 150,000	150,000

The Scottish rates and bands do not apply for savings and dividend income, which are taxed at normal UK rates.

High Income Child Benefit Charge (HICBC)

1% of child benefit for each £100 of adjusted net income between £50,000 and £60,000.

Remittance basis charge	2019/20	2018/19
For non-UK domiciled individuals who have been UK resident in at least:		
7 of the preceding 9 tax years	£30,000	£30,000
12 of the preceding 14 tax years	60,000	60,000
15 of the preceding 20 tax years	Deemed to be UK domiciled	

Pensions

Registered Pensions	2019/20	2018/19
Lifetime Allowance (LA)	£1,055,000	£1,030,000
Annual Allowance (AA)*	40,000	40,000

Annual relievable pension inputs are the higher of earnings (capped at AA) or £3,600.

*Usually tapered (down to a minimum of £10,000) when adjusted income exceeds £150,000.

State pension (per week)	2019/20	2018/19
Old state pension – Single person	£129.20	£125.95
– Married couple	206.65	201.45
New state pension†	168.60	164.35

†Applies to those reaching state retirement age after 5 April 2016.

Annual investment limits

	2019/20	2018/19
Individual Savings Account (ISA)		
– Overall limit	£20,000	£20,000
– Lifetime ISA	4,000	4,000
Junior ISA	4,368	4,260
EIS* – 30% relief	2,000,000	2,000,000
EIS eligible for CGT deferral relief	Unlimited	Unlimited
Seed EIS (SEIS) – 50% relief	100,000	100,000
SEIS – 50% exemption for reinvested gains	100,000	100,000
Venture Capital Trust (VCT) – 30% relief	200,000	200,000

*Amount over £1m must be invested in 'knowledge-intensive' companies.

National Insurance Contributions

Class 1 (Employees)	Employee	Employer
Main NIC rate	12%	13.8%
No NIC on first	£166pw	£166pw
Main rate* charged up to	£962pw	no limit
2% rate on earnings above	£962pw	N/A
Employment allowance per business**	N/A	£3,000

*Nil rate of employer NIC for employees under the age of 21 and apprentices under 25, up to £962pw.
**Some businesses do not qualify, including certain sole director companies.
Employer contributions (at 13.8%) are also due on most taxable benefits (Class 1A) and on tax paid on an employee's behalf under a PAYE settlement agreement (Class 1B).

Class 2 (Self employed)

Flat rate per week	£3
Small profits threshold	£6,365

Class 3 (Voluntary)

Class 3: Flat rate per week	£15

Class 4 (Self employed)

On profits £8,632 – £50,000	9.0%
On profits over £50,000	2.0%

Vehicle Benefits

Cars

Taxable benefit: Chargeable value multiplied by chargeable %.

Chargeable value: Initial list price of car (including most accessories), reduced by any capital contribution (maximum £5,000) by employee when the car is first made available.

Chargeable percentage:

CO_2 emissions g/km*	Petrol	Diesel
0-50	16%	20%
51-75	19%	23%
76-94	22%	26%
Above 94	Add 1% for every 5g/km	
Above 164 (petrol)/144 (diesel)	37% maximum	

*The percentages for petrol cars apply to diesel cars that meet the RDE2 standard.

Vans

Chargeable value of £3,430 (2018/19 £3,350) if private use is more than home-to-work. Electric vans £2,058 (2018/19 £1,340).

Fuel

Employer provides fuel for private motoring in an employer-owned:
Car: CO_2-based percentage from above table multiplied by £24,100 (2018/19 £23,400).
Van: £655 (2018/19 £633).
Employee contributions do not reduce taxable figure unless all private fuel is paid for by the employee (in which case there is no benefit charge).

Tax-free mileage allowances

Employee's own transport	per business mile
Cars first 10,000 miles	45p
Cars over 10,000 miles	25p
Business passengers	5p
Motorcycles	24p
Bicycles	20p

Capital Gains Tax

Annual exempt amount	2019/20	2018/19
Individuals, estates	£12,000	£11,700
Most trusts	6,000	5,850

Tax rate		
Individual (to basic rate limit)*	10%	10%
Individual (above basic rate limit)*	20%	20%
Trusts, estates*	20%	20%
Entrepreneurs' Relief (ER)**	10%	10%
Investors' Relief (IR)***	10%	N/A

*Individuals are taxed at 18%/28% on gains on residential property and receipts of carried interest. Trusts and estates are taxed at 28% in these circumstances.

**ER is available for lifetime gains of up to £10m. Qualifying disposals include a trading business and shares in a trading company (from a minimum 5% holding) by an officer/employee. Various conditions apply.

***Shares in an unquoted trading company may qualify for IR on lifetime gains up to £10m, if acquired by someone who is not a paid officer or employee of the company and disposed of after 5.4.19. Various conditions apply.

Corporation Tax

Year to	31.3.2020	31.3.2019
Corporation Tax rate	19%	19%
Research and development relief		
SME enhanced expenditure deduction scheme*	130%	130%
Large company R&D Expenditure Credit (RDEC) scheme**	12%	12%

*Additional deduction for qualifying R&D.

**Taxable expenditure credit for qualifying R&D.

SMEs that make losses can surrender the deduction to HMRC in exchange for a payment of 14.5% of the loss.

Main capital allowances

Plant and machinery allowances		Rate
Annual Investment Allowance (AIA)		
– expenditure 1.1.19 - 31.12.20	£1,000,000	100%
– expenditure pre 1.1.19	200,000	100%
Energy/water-efficient equipment		100%
Writing down allowance: general pool (reducing balance)		18%
Writing down allowance: special rate pool (reducing balance)*		6%

Motor cars purchased

	From 1.4.18 CO_2 (g/km)	1.4.15 to 31.3.18 CO_2 (g/km)	Allowance
New cars only	up to 50	up to 75	100%
In general pool	up to 110	up to 130	18% pa
In special rate pool*	above 110	above 130	6% pa

*8% pre 1.4.19 (companies) and pre 6.4.19 (businesses subject to income tax).

Structures and buildings allowance

Expenditure from 29.10.18 (straight line basis)	2%

Property Taxes

Annual Tax on Enveloped Dwellings (ATED)

ATED applies to 'high value' residential properties owned via a corporate structure, unless the property is used for a qualifying purpose. The tax applies to properties valued at more than £500,000.

Property value	Annual charge to 31.3.2020	Annual charge to 31.3.2019
£0.5m – £1m	£3,650	£3,600
£1m – £2m	7,400	7,250
£2m – £5m	24,800	24,250
£5m – £10m	57,900	56,550
£10m – £20m	116,100	113,400
Over £20m	232,350	226,950

Stamp Duty Land Tax (SDLT), Land and Buildings Transaction Tax (LBTT) and Land Transaction Tax (LTT)

Residential property (1st property only)

SDLT - England & NI £000	Rate	LBTT - Scotland £000	Rate	LTT - Wales £000	Rate
Up to 125	Nil	Up to 145	Nil	Up to 180	Nil
125 – 250	2%	145 – 250	2%	180 – 250	3.5%
250 – 925	5%	250 – 325	5%	250 – 400	5.0%
925 – 1,500	10%	325 – 750	10%	400 – 750	7.5%
Over 1,500	12%	Over 750	12%	750 – 1,500	10.0%
				Over 1,500	12.0%

A supplement applies for all three taxes where an additional residential property is purchased for more than £40,000 (unless replacing a main residence). It is also payable by all corporate purchasers. The rate is 3% (LBTT: 4%) of the total purchase price.
For SDLT:
– First-time buyers purchasing a property of up to £500,000 pay a nil rate on the first £300,000 of the purchase price.
– A rate of 15% may apply to the total purchase price, where the property is valued above £500,000 and purchased by a 'non-natural person' (e.g. a company).
For LBTT, first-time buyer relief increases the nil rate band to £175,000.

Non-residential or mixed use property

SDLT - England & NI £000	Rate	LBTT - Scotland £000	Rate	LTT - Wales £000	Rate
Up to 150	Nil	Up to 150	Nil	Up to 150	Nil
150 – 250	2%	150 – 250	1%	150 – 250	1%
Over 250	5%	Over 250	5%	250 – 1,000	5%
				Over 1,000	6%

Value Added Tax

Standard rate (1/6 of VAT-inclusive price)	20%
Registration level from 1.4.2017	£85,000 per annum
Deregistration level from 1.4.2017	83,000 per annum

From 1.4.2019 most businesses above the registration threshold must comply with the Making Tax Digital requirements.

Flat Rate Scheme (FRS)

Annual taxable turnover to enter scheme	Up to £150,000
Must leave scheme if annual gross turnover	Exceeds £230,000

If using FRS, the VAT paid by the business is a fixed percentage (based on business category) of 'FRS turnover' rather than the net of output tax over input tax. Input tax is usually not recoverable.

Cash accounting and Annual accounting schemes

Annual taxable turnover to enter scheme	Up to £1.35m
Must leave scheme if annual taxable turnover	Exceeds £1.60m

Option to tax property

Notify HMRC within 30 days.

Inheritance Tax

	2019/20	2018/19
Nil rate band (NRB)*	£325,000	£325,000
NRB Residential enhancement (RNRB)†*	150,000	125,000
Tax rate on death**	40%	40%
Tax rate on lifetime transfers to most trusts	20%	20%

†RNRB is available for transfers of a main residence to direct descendants. It tapers away at the rate of £1 for every £2 of estate value above £2m.

*Up to 100% of the proportion of a deceased spouse's/civil partner's unused NRB and RNRB band may be claimed to increment the current NRB and RNRB when the survivor dies.

**Rate reduced to 36% if at least 10% of the relevant estate is left to charity.

Unlimited exemption for transfers between spouses/civil partners, except if UK domiciled transferor and foreign domiciled transferee, where maximum exemption £325,000.

100% Business Property Relief (BPR) for all shareholdings in qualifying unquoted trading companies, qualifying unincorporated trading businesses and certain farmland/buildings.

Reduced tax charge on gifts within 7 years before death

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

Annual exemptions for lifetime gifts include £3,000 per donor and £250 per recipient.

Key dates and deadlines

Payment dates

Self assessment		2019/20	2018/19
1st payment on account	31 January	2020	2019
2nd payment on account	31 July	2020	2019
Balancing payment	31 January	2021	2020
Capital Gains Tax*	31 January	2021	2020

*Non-residents with gains on UK residential property must pay CGT within 30 days of disposal unless already filing a self assessment tax return.

Other payment dates

Class 1A NIC	19 July	2020	2019
Class 1B NIC	19 October	2020	2019

Corporation tax is due 9 months and 1 day from the end of the accounting period, unless a 'large' company paying by quarterly instalments.

2018/19 Filing deadlines

Issue P60s to employees	31 May	2019
P11D, P11D(b)	6 July	2019
Self Assessment Tax Return (SATR) paper version	31 October	2019
Online SATR if outstanding tax to be included in 2020/21 PAYE code	30 December	2019
Online SATR	31 January	2020

Useful rates

National Minimum Wage Rates per hour	From 1.04.19	From 1.04.18
Aged 25 and over (National Living Wage)	£8.21	£7.83
Aged 21 – 24	7.70	7.38
Aged 18 – 20	6.15	5.90
Aged 16 – 17	4.35	4.20
Apprentices	3.90	3.70

Child Benefit (per week)	2019/20	2018/19
First eligible child	£20.70	£20.70
Each subsequent child	13.70	13.70

You are advised to consult us before acting on any information contained herein.

2019/2020 Calendar

April 2019

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May 2019

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2019

M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July 2019

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

August 2019

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

September 2019

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

October 2019

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November 2019

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December 2019

M	T	W	T	F	S	S
						1
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16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

January 2020

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

February 2020

M	T	W	T	F	S	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

March 2020

M	T	W	T	F	S	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

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