

## RESEARCH AND DEVELOPMENT (R&D)

Revenue expenditure – SMEs	230%
Capital expenditure – all companies	100%
SME company R&D payable tax credit	14.5%
Large company R&D taxable expenditure credit	12%

\* Effective from 1 January 2018, replacing previous rate of 11%.

## TAX-EFFICIENT INVESTMENTS

Annual investment limit	2019/20	2018/19
ISA	£20,000	£20,000
Lifetime ISA*	£4,000	£4,000
Help-to-buy ISA (existing savers only from 1 December 2019)	£1,000 initial and £200 per month	
Junior ISA and Child Trust Fund	£4,368	£4,260
Venture Capital Trust at 30%	£200,000	£200,000
Enterprise Investment Scheme at 30%**	£1m	£1m
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS capital gains tax reinvestment relief	50%	50%
Social investment tax relief at 30%	£1m	£1m

\* Reduces ISA limit by amount invested in Lifetime ISA.

\*\* Up to £2m in a knowledge-intensive company.

## REGISTERED PENSIONS

	2019/20	2018/19
Lifetime allowance limit	£1.055m	£1.03m
Money purchase annual allowance	£4,000	£4,000
Annual allowance limit	£40,000*	£40,000*
Minimum age for accessing benefits	55	55
On cumulative benefits exceeding	£1.055m	£1.03m
Maximum pension commencement lump sum	25% of pension fund value	

\* Tapered at a rate of 50% of income down to £10,000 if threshold income over £110,000 and adjusted income over £150,000. Restrictions may also apply based on net relevant earnings.

Subject to certain conditions, the unused amount of the annual allowance can be carried forward up to three years and used once the current year annual allowance has been fully utilised.

## NATIONAL INSURANCE

Class 1		
Weekly earnings	Employee rate	Employer rate
Up to £166	Nil*	Nil
£166 to £962	12%	13.8%**
Over £962	2%	
Over state pension age	0%	13.8%

\* Entitlement to contribution-based benefits are retained for earnings between £118 and £166 per week.

\*\* 0% for employees under 21 and apprentices under 25 on earnings up to £962 per week.

Class 1A	
On relevant benefits, including car and fuel benefits	13.8%

Class 2	
Self-employed above small profits threshold	£3 per week
Small profits threshold	£6,365 per annum

Class 3	
Voluntary	£15 per week

Class 4*	
Self-employed on profits £8,632 – £50,000	9%
Over £50,000	2%

\* Exemption applies if the state retirement age is reached by 6 April 2019.

### Employment allowance

Per employer, per year (excludes one-person companies)	£3,000*
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\* One claim only for companies in a group or under common control. Not available where the director is the only employee paid earnings above the secondary threshold for class 1 NICs. From April 2020, this will be limited to employers with an employer NICs bill below £100,000 in the previous tax year.

### Apprenticeship levy

A levy of 0.5% applies where the pay bill exceeds £3m. There is an allowance of £15,000. Further conditions apply, so please consult with us.

## IMPORTANT NOTICE

These rates and allowances are based on Budget 2018 announcements made by the UK and Northern Ireland, Scottish and Welsh Governments and are for information only.

All information is subject to change before 6 April 2019 and confirmation by the respective governments. The above must not be considered advice and no warranty is given for the accuracy or completeness of the details. Professional advice should be sought before making any decisions.

## STAMP DUTY

Consideration on shares over £1,000	0.5%
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## PROPERTY TAXES

The incremental rate of tax is only payable on the part of the property price within each band. An additional 3% rate (4% in Scotland) applies to the purchase of an additional residential property above £40,000 and all corporate residential properties.

### England and Northern Ireland: Stamp duty land tax

On the transfer of residential property*		On the transfer of non-residential property	
£0 – £125,000	0%	Less than £150,000	0%
£125,000 – £250,000	2%	£150,000 – £250,000	2%
£250,000 – £925,000	5%	Over £250,000	5%
£925,000 – £1.5m	10%		
Over £1.5m	12%		

\* First-time buyers pay nothing on the first £300,000 for properties up to £500,000. A rate of 5% applies between £300,000 and £500,000. For residential purchases by 'non-natural persons' over £500,000 a rate of 15% applies, subject to certain exclusions.

### Scotland: Land and buildings transaction tax

On the transfer of residential property*		On the transfer of non-residential property	
£0 – £145,000	0%	£0 – £150,000	0%
£145,000 – £250,000	2%	£150,000 – £250,000	1%
£250,000 – £325,000	5%	Over £250,000	5%
£325,000 – £750,000	10%		
Over £750,000	12%		

\* First-time buyers pay nothing on the first £175,000.

### Wales: Land transaction tax

On the transfer of residential property		On the transfer of non-residential property	
£0 – £180,000	0%	£0 – £150,000	0%
£180,000 – £250,000	3.5%	£150,000 – £250,000	1%
£250,000 – £400,000	5%	£250,000 – £1m	5%
£400,000 – £750,000	7.5%	Over £1m	6%
£750,000 – £1.5m	10%		
Over £1.5m	12%		



# Tax Cards 2019/20

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## TAXABLE INCOME BANDS AND TAX RATES

	2019/20	2018/19
Starting rate* of 0% on savings up to	£5,000	£5,000
Basic-rate band	£37,500	£34,500
Higher-rate band	£37,500 to £150,000	£34,500 to £150,000
Additional-rate band	Over £150,000	Over £150,000
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Dividend ordinary rate	7.5%	7.5%
Dividend upper rate	32.5%	32.5%
Dividend additional rate	38.1%	38.1%

\* The starting rate does not apply if taxable income exceeds the starting rate limit.

### Income tax in Scotland

Band	2019/20		2018/19	
	Taxable income	Rates	Taxable income	Rates
Starter rate	£12,500 – £14,549*	19%	£11,850 – £13,850*	19%
Basic rate	£14,549 – £24,944	20%	£13,850 – £24,000	20%
Intermediate rate	£24,944 – £43,430	21%	£24,000 – £43,430	21%
Higher rate	£43,430 – £150,000	41%	£43,430 – £150,000	41%
Additional rate	£150,000	46%	£150,000	46%

\* Assumes individuals are in receipt of the personal allowance.

### Allowances that reduce taxable income or are not taxable

	2019/20	2018/19
Personal allowance*	£12,500	£11,850
Personal savings allowance	Basic-rate taxpayer	£1,000
	Higher-rate taxpayer	£500
	Additional-rate taxpayer	£0
Dividend allowance at 0%	£2,000	£2,000
Marriage/civil partner transferable allowance**	£1,250	£1,190
Trading allowance and property allowance each***	£1,000	£1,000
Rent-a-room allowance	£7,500	£7,500
Blind person's allowance	£2,450	£2,390

\* The personal allowance is reduced by £1 for each £2 of income from £100,000 to £125,000 (2018/19, £123,700).

\*\* Any unused personal allowance may be transferred to a spouse or civil partner, where the recipient is not liable to higher or additional-rate tax.

\*\*\* Note that landlords and traders with gross income from each of these sources in excess of £1,000 can deduct the allowance from their gross income as an alternative to claiming expenses.

### Allowances that reduce tax

	2019/20	2018/19
Married couple or civil partnership allowance (MCA) maximum tax reduction	£891.50	£869.50

Available to people born before 6 April 1935. The age for MCA is that of the elder spouse or civil partner. The loss of tax reduction is 10p for each £2 of income above £29,600 (2018/19, £28,900) until £345 (2018/19, £336) is reached.

### High-income child benefit charge

	2019/20	2018/19
Threshold	£50,000	£50,000

There is a tax charge of 1% of the child benefit received for each £100 that the threshold is exceeded up to a maximum of 100%.

## VEHICLE AND FUEL BENEFITS IN KIND

The taxable benefit in kind is calculated as a percentage of the car's UK list price. The percentage depends on the car's CO<sub>2</sub> emissions in grams per kilometre (g/km). Diesel cars which are certified to RDE2 standard are treated as petrol-fuelled.

CO <sub>2</sub> Emissions (g/km)	Petrol	Diesel
0 – 50	16%	20%
50 – 75	19%	23%
75 – 94	22%	26%
Over 94	Add 1% for every 5g/km	
Over 165 (petrol), 145 (diesel)	37%	

The list price is on the day before first registration, including most accessories, and is reduced by any employee's capital contribution (max £5,000) when the car is first made available.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage (above) to £24,100 (£23,400 in 2018/19).

Vans where private use is more than home-to-work travel: £3,430 (£3,350 in 2018/19) benefit and £655 (£633 in 2018/19) for private fuel. Payments by employees for private use may reduce these benefits in kind. Zero-emission vans have a benefit of £2,058 (£1,340 in 2018/19).

## TAX-FREE MILEAGE ALLOWANCES

Cars and vans	First 10,000 business miles	45p
	Thereafter	25p
Motorcycles	24p	
Bicycles	20p	
Business passenger	5p	

The tax-free business mileage allowance rates apply for qualifying business journeys incurred by employees using their own vehicles. For national insurance purposes, a rate of 45p may apply for all business miles incurred for cars and vans.

## CAPITAL GAINS TAX

		2019/20	2018/19
Main rates	Individual basic rate	10%	10%
	Individual above basic rate	20%	20%
	Trusts and estates	20%	20%
Surcharge – for gains on residential property not eligible for private residence relief and carried interest		8%	8%
Annual exemption	Individuals	£12,000	£11,700
	Trusts	£6,000	£5,850
Entrepreneurs' relief	Applicable rate	10%	10%
	Lifetime limit	£10m	£10m
Investors' relief	Applicable rate	10%	10%
	Lifetime limit	£10m	£10m

## INHERITANCE TAX

	2019/20	2018/19
Nil-rate band threshold*	£325,000	£325,000
Main residence nil-rate band**	£150,000	£125,000
Combined threshold limit for married couples and civil partners, including main residence nil-rate band	£950,000	£900,000
Relief for businesses, unlisted/AIM companies, certain farmland/farm buildings	100%	100%

\* Up to 100% of any unused part of a deceased person's nil-rate band can be claimed by the surviving spouse/civil partner on their death. This also applies to the main residence nil-rate band, albeit the main residence nil-rate is subject to the taper withdrawal below.

\*\* For estates in excess of £2m, a 50% taper withdrawal applies to the excess.

### Tax rates

	2019/20	2018/19
Main rate	40%	40%
Chargeable on lifetime transfers	20%	20%
Transfers on or within seven years of death*	40%	40%
Reduced rate**	36%	36%

\* All lifetime transfers not covered by exemptions and made within seven years of death will be added back into the estate for the purposes of calculating the tax payable. This may then be reduced as shown in the table below.

\*\* Applies if 10% or more of net chargeable estate is left to a UK-registered charity.

Years before death	0 – 3	3 – 4	4 – 5	5 – 6	6 – 7
Tax reduced by	0%	20%	40%	60%	80%

## UK COMPANY TAXATION

Financial year from 1 April	2019	2018
Corporation tax main rate	19%	19%
Loans to participators	32.5%	32.5%
Diverted profits tax	25%	25%

## MAIN CAPITAL ALLOWANCES

### Initial allowances

Annual investment allowance: on first £1m (excludes cars)*	100%
First-year allowance: for certain environmentally-beneficial equipment, new and unused electric and low CO <sub>2</sub> emission cars (up to 50g/km)	100%

\* Applies from 1 January 2019 to 31 December 2020. Transitional rules may apply for chargeable periods spanning these dates.

### Writing-down allowances

Plant and machinery main-rate expenditure	18%	
Plant and machinery special-rate expenditure	6%	
Cars	51g/km – 110g/km	18%
	Over 110g/km	8%
Structures and buildings allowance – straight-line relief	2%	
Electrical charge point, energy and water-efficient equipment and electric vans	100%	

## VAT

From 1 April	2019	2018
Standard rate	20%	20%
VAT fraction	1/6	1/6
Reduced rate, eg on domestic fuel	5%	5%
VAT fraction	1/21	1/21
Zero rate	0%	0%
Exempt	N/A	N/A

### Taxable turnover limits

From 1 April	2019	2018
Registration (last 12 months or next 30 days) over	£85,000	£85,000
Deregistration (next year) under	£83,000	£83,000
Annual and cash accounting schemes turnover limit	£1.35m	£1.35m
Flat-rate scheme turnover limit	£150,000	£150,000