

Tax Facts

Autumn Budget 2018

Income tax and allowances

	2019/20	2018/19	Notes
0% starting rate	£1–£5,000	£1–£5,000	A
20% basic rate	£5,001–£37,500	£5,001–£34,500	
40% higher rate	£37,501–£150,000	£34,501–£150,000	
45% additional rate	Above £150,000	Above £150,000	

A. 0% only available on savings income when non-savings income is less than savings rate band, otherwise 20%.

Income tax and allowances in Scotland

	2019/20	2018/19	Notes
19% starter rate	£1–£2,000	£1–£2,000	A
20% basic rate	£2,001–£12,150	£2,001–£12,150	A
21% intermediate rate	£12,151–£31,580	£12,151–£31,580	A
41% higher rate	£31,581–£150,000	£31,581–£150,000	A
46% top rate	Above £150,000	Above £150,000	A

A. 2019/20 rates may still be amended by the Scottish Parliament.

Dividend tax

	2019/20	2018/19
First £2,000	0%	0%
Basic rate taxpayer	7.5%	7.5%
Higher rate taxpayer	32.5%	32.5%
Additional rate taxpayer	38.1%	38.1%

Income tax allowances

	2019/20	2018/19	Notes
Basic personal allowance	£12,500	£11,850	A
Married/civil partnership allowance	£8,915	£8,695	B,D
Transfer of personal allowance	£1,250	£1,190	C
Married couples allowance (basic)	£3,450	£3,360	D
Blind person's allowance	£2,450	£2,390	
Rent a room	£7,500	£7,500	
Saving allowance: basic rate taxpayer	£1,000	£1,000	
Saving allowance: higher rate taxpayer	£500	£500	

A. Reduces by £1 for £2 of income over £100,000 (applies to all ages).

B. Reduces by £1 for £2 of income over £29,600 (£28,900 in 2018/19) until basic personal allowance and basic married/civil partnership couples' allowance is reached.

C. Only available if lower earner is below personal allowance and higher earner is a basic rate taxpayer.

D. Relief at 10% available if one spouse was born before 6 April 1935.

National Insurance Contributions (NICs)

	From 6 April 2019	Notes
Class 1 employee weekly earnings		
£0–£166	Nil	
£166.01–£962	12%	
Above £962	2%	
Class 1 employer weekly earnings		
£0–£166	Nil	
Above £166	13.8%	A,B
Class 2 self employed annual earnings		
£1–£6,365	Nil	
Above £6,365	£3.00	C
Class 3 voluntary	£15.00	C
Class 4 self employed annual earnings		
• £1–£8,632 annual profits	Nil	
• £8,632.01–£50,000 annual profits	9%	
• Above £50,000 annual profits	2%	

A. Employers of apprentices under 25 and all employees under 21 pay no NICs on their earnings below £962 per week.

B. Employment allowance £3,000 per year per employer.

C. Weekly flat rate.

Inheritance Tax

	2019/20	2018/19	Notes
Nil rate band	£325,000	£325,000	A
Residence nil rate band limit	£150,000	£125,000	A
Above £325,000:			
• on relevant lifetime transfers	20%	20%	
• on death transfers	40%	40%	
• reduced rate	36%	36%	B
Exemptions			
Annual gifts per donor	£3,000	£3,000	
Small gifts per donee	£250	£250	
Gifts from a parent on marriage	£5,000	£5,000	
Gifts from grandparent on marriage	£2,500	£2,500	
Other gifts on marriage	£1,000	£1,000	
Regular gifts out of income	Exempt	Exempt	

A. Executors of a surviving spouse can claim any unused nil rate band and residence nil rate band on the death of the first spouse.

B. Where 10% or more of the deceased person's net estate is left to charity.

Business relief

		Notes
A business or an interest in a business	100%	
Unquoted shares	100%	A
Unquoted securities which on their own or combined with other unquoted shares or securities give control of the company	100%	A
Quoted shares which give control of the company	50%	A
Land or buildings, machinery or plant used wholly or mainly for the purposes of a business they were a partner in or controlled	50%	
Land or buildings, machinery or plant available under a life interest and used in a business carried on by the individual	50%	

A. Companies dealing in stocks, shares and land etc. or making or holding investments may not qualify.

Capital Gains Tax

	2019/20	2018/19	Notes
Annual exemption			
Individuals	£12,000	£11,700	
Trusts	£6,000	£5,850	
Rates			
Basic rate taxpayer	10%	10%	A,B
Higher and additional rate taxpayer	20%	20%	A,C
Trusts and personal representatives	20%	20%	C
Entrepreneurs' Relief	10%	10%	D
Investors' Relief	10%	10%	D

A. Gains treated as the top slice of income and taxed at marginal rates (10% up to the higher rate threshold and 20% above).

B. 18% on residential property not eligible for Private Residence Relief, and carried interest.

C. 28% on residential property not eligible for Private Residence Relief, and carried interest.

D. Subject to a lifetime gain limit of £10m.

Pension contributions

	2019/20	2018/19	Notes
Annual allowance	£40,000	£40,000	A,B
Lifetime allowance	£1,055,000	£1,030,000	

A. Tax relief on lower of annual earnings or the annual allowance (or £3,600 regardless of earnings level).

B. Annual allowance reduced by £1 for every £2 adjusted income exceeds £150,000 to a minimum of £10,000.

Reduction does not apply if 'threshold income' is below £110,000.

Individual Savings Accounts (ISA)

	2019/20	2018/19
Total maximum contributions to an adult ISA	£20,000	£20,000
Junior ISA	£4,368	£4,260

Tax efficient savings and investments

	2019/20	2018/19	Notes
Enterprise investment scheme	£1m	£1m	A
Rate of income tax relief	30%	30%	
Seed enterprise investment scheme	£100,000	£100,000	
Rate of income tax relief	50%	50%	
Venture capital trusts	£200,000	£200,000	
Rate of income tax relief	30%	30%	
Social investment tax	£1m	£1m	
Rate of income tax relief	30%	30%	

A. Can invest up to £2m provided any amount over £1m is invested in one or more knowledge-intensive companies.

Car, van and fuel benefits

Car benefit – CO ₂ (g/km) emissions	2019/20	Notes
0-50	16%	A,B
51-75	19%	A,B
76-94	22%	A,B
Each additional 1-5 g/km	1%	A,B,C
Van benefit	£3,430	
Fuel benefit		
Car: benefit percentage of	£24,100	
Van: fixed amount	£655	

A. For petrol cars registered after 1 January 1998, car benefit is calculated as a graduated percentage of a car's list price based on its CO₂ emissions (up to a maximum of 37%). Different rules apply for cars registered pre-1 January 1998 and those with no CO₂ figure.

B. A 4% supplement for diesel cars to a maximum of 37%. Cars that meet the Real Driving Emissions Step 2 Standard are exempt from the diesel supplement.

C. To a maximum of 37%.

Value added tax

	2019/20	Notes
Standard rate	20%	
Reduced rate	5%	
Registration threshold	£85,000	A
Deregistration threshold	£83,000	A

A. Taxable turnover measured by reference to the last 12 months or next 30 days.

Stamp Duty Land Tax (SDLT): Property purchased in England and Northern Ireland

Residential properties	2019/20	Notes
On consideration between:		
£0-£125,000	0%	A
£125,001-£250,000	2%	A
£250,001-£925,000	5%	A,B
£925,001-£1.5m	10%	A,B
Above £1.5m	12%	A,B

A. Additional supplement of 3% on second homes, buy to let properties etc.

B. SDLT rate on properties worth more than £500,000 held by non-natural persons: 15%.

SDLT: Property purchased in England and Northern Ireland (cont'd.)

First time buyers	2019/20	Notes
On consideration between:		
£0-£300,000	0%	A
£300,000-£500,000	5%	A
Above £500,000	Standard rates apply	

A. Relief extended to include qualifying shared ownership property purchases, with a backdated effective date of 22 November 2017.

Non-residential and mixed use properties	2019/20	Notes
Property price, premium or value up to £150,000 (any annual rent no greater than £1,000)	0%	
Properties between £150,001 and £250,000	2%	
Properties above £250,000	5%	

Land and buildings transaction tax: Property purchased in Scotland

Residential property	2019/20	Notes
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2019/20 rates may still be amended by the Scottish Parliament.

On consideration between:		
£0-£145,000	0%	A
£145,001-£250,000	2%	A
£250,001-£325,000	5%	A
£325,001-£750,000	10%	A
Above £750,000	12%	A

A. Additional supplement of 3% on second homes and buy to let properties etc.

Annual Tax on Enveloped Dwellings (ATED)

Residential property value	2019/20	2018/19	Notes
> £500,000 – ≤ £1m	£3,650	£3,600	A,B
> £1m – ≤ £2m	£7,400	£7,250	A,B
> £2m – ≤ £5m	£24,800	£24,250	A,B
> £5m – ≤ £10m	£57,900	£56,550	A,B
> £10m – ≤ £20m	£116,100	£113,400	A,B
> £20m	£232,350	£226,950	A,B

A. ATED Capital Gains Tax rate: 28%.

B. ATED SDLT rate on properties worth more than £500,000 held by non-natural persons: 15%.

Corporation tax

Taxable profits	2019/20	2018/19
Rate	19%	19%

Diverted profits tax

	2019/20	2018/19
Arrangements by which foreign companies exploit the permanent establishment rules, or companies create tax advantages by using transactions or entities that lack economic substance.	25%	25%

Capital allowances

Plant and machinery	2019/20	2018/19	Notes
Annual investment allowance: expenditure up to £200,000 (£1m from 1 January 2019)	100%	100%	A
First year allowance	100%	100%	B
Other plant and machinery	18%	18%	
Long life assets and integral features	6%	8%	C
Structures and Buildings allowance	2%	2%	D

A. Available on general plant and machinery, long life assets and integral features, but not cars.

B. Assets used in enterprise zones, energy saving technologies, water efficient technologies, low emission cars, zero emission goods vehicles.

C. Also includes cars with CO₂ emissions above 130 g/km.

D. From 29 October 2018, capital allowances at a rate of 2% will be available for new qualifying non-residential structures and buildings on a straight line basis.

Research and Development (R&D) tax credits

	2019/20	2018/19	Notes
Large companies			
R&D expenditure credit	12%	12%	
SME scheme			
Additional (enhanced) tax relief	130%	130%	
Cash reclaim available per £100 spend to loss making small companies	£33.35	£33.35	A

A. Option to surrender R&D losses for cash repayment at 14.5%.

Patent Box

Rate of tax on qualifying profits	2019/20	2018/19
Main rate of corporation tax	10%	10%

Charitable giving

Gift Aid: after tax cost to taxpayer	Notes			
Donor's top rate of tax	0%	20%	40%	45%
Cash donation	£80	£80	£80	£80
Additional tax./ (relief)	£20	£0	(£20)	(£25)
Net cost to taxpayer	£100	£80	£60	£55

A. Example: a donor gives cash of £80 to a charity under Gift Aid. The charity reclaims £20 from HMRC, receiving a total of £100.

Start the conversation

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