

Stamp Taxes

Shares and marketable securities 0.5%¹

¹ Rounded up to the nearest multiple of £5

Transfers of land and buildings (consideration paid)

Residential ²	Non-residential	Rate
£125,000 or less	£150,000 or less	Nil
£125,001-£250,000	£150,001-£250,000	1%
£250,001-£500,000	£250,001-£500,000	3%
Over £500,000	Over £500,000	4%

² Different rates apply in designated disadvantaged areas

Leases

Rent (net present value)

Residential	Non-residential	Rate
Up to £125,000	Up to £150,000	Nil
Over £125,000	Over £150,000	1%

Premiums

Duty on premiums is the same as for transfers of land (but special rules apply where rent exceeds £600 annually).

Value Added Tax

Standard rate	17.5%	Lower rate	5%
Registration level from 1 April 2007		£64,000 pa	
Deregistration limit from 1 April 2007		£62,000 pa	

VAT car fuel scale charges from 1 May 2007

CO ₂ emissions grams per km	Quarterly returns £	Monthly returns £
140	182	60
145	195	65
150	207	69
155	219	73
160	231	77
165	243	81
170	256	85
175	268	89
180	280	93
185	292	97
190	304	101
195	317	105
200	329	109
205	341	113
210	353	117
215	365	121
220	378	126
225	390	130
230	402	134
235	414	138
240	426	142

Capital Allowances

Agricultural buildings
(straight-line basis)
Writing-down allowance

Rate %
4

Dredging
(straight-line basis)
Writing-down allowance

4

Business premises renovation
Initial allowance*

100

Flat conversions
Initial allowance*

100

*Writing-down allowance for unrelieved expenditure (straight-line basis)

25

Industrial buildings
(straight-line basis)
Writing-down allowance

4

Expenditure on buildings (including commercial buildings) on sites in enterprise zones qualifies for initial allowance of 100% if contracted for within 10 years of inclusion of site in zone.

Know-how
(reducing balance basis)
Writing-down allowance

25

Mineral extraction
(reducing balance basis)
Writing-down allowances
General

25
10

Patent rights
(reducing balance basis)
Writing-down allowance

25

Plant and machinery
(reducing balance basis)
First-year allowances
Small businesses

50
40

Energy-saving or environmentally beneficial assets
New low-emission cars
Writing-down allowances
General
Long-life assets

100
100
25
6

Research and development
Allowance

100

Registered Pension Schemes

Individual contributions 2007/08

Maximum tax-relievable contributions are the higher of

- 100% of taxable UK earnings, or
- £3,600 (provided the scheme operates tax relief at source).

Annual allowance

2007/08	£225,000
2006/07	£215,000

Lifetime allowance

2007/08	£1,600,000
2006/07	£1,500,000

Tax Credits

Annual amounts 2007/08

£

Child tax credit

Family element	545
baby addition	545
Child element (for each child)	1,845
Addition for disabled child	2,440
Severe disabled child enhancement	980

Working tax credit

Basic element	1,730
Lone parent and couple element	1,700
30 hour element	705
Disability element	2,310
Severe disability element	980
50 plus return to work payment (16 to 29 hours)	1,185
(30 or more hours)	1,770
Childcare element (up to 80% of costs)	Weekly
maximum eligible cost (1 child)	175
maximum eligible cost (2 or more)	300

Income thresholds

First income threshold	5,220
eligible for child tax credit only	14,495
First withdrawal rate	37%
Second income threshold	50,000
Second withdrawal rate	6.67%
Income disregard	25,000

Tax
Facts Spring Budget Edition
2007



Income Tax Allowances

	2007/08	2006/07
	£	£
Personal allowance		
general	5,225	5,035
aged 65 to 74 in tax year	7,550	7,280
aged 75 or over in tax year	7,690	7,420
age allowance income limit	20,900	20,100
minimum where income exceeds limit	5,225	5,035

Married couple's allowance*

	2007/08	2006/07
(relief at 10%)		
either partner aged under 75 and born before 6 April 1935	6,285	6,065
either partner aged 75 or over in year of assessment	6,365	6,135
age allowance income limit	20,900	20,100
minimum where income exceeds limit	2,440	2,350

*Available for civil partners.

Blind person's allowance	1,730	1,660
--------------------------	-------	-------

Income Tax Rates

Taxable Income	Band	Rate	Tax on Band	Total Tax
£	£	%	£	£
2007/08				
0 - 2,230	2,230	10	223.00	223.00
2,231 - 34,600	32,370	22	7,121.40	7,344.40
Over 34,600		40		
2006/07				
0 - 2,150	2,150	10	215.00	215.00
2,151 - 33,300	31,150	22	6,853.00	7,068.00
Over 33,300		40		

Savings income is generally treated as the highest part of total income. Interest is taxed at 10% within the starting rate band, 20% within the basic rate band and 40% thereafter. Income from **dividends** is taxed at 10% within the starting and basic rate bands and at 32.5% thereafter (these rates are applied to the dividend grossed-up by a tax credit of 1/9).

National Insurance Contributions

2007/08

Class 1 (Earnings related)	Not contracted out	Contracted out
Employees		
<i>Weekly earnings</i>		
First £100	Nil	Nil
On balance up to £670	11%	9.4%
Over £670	1%	1%

Employers

	NCO	SRS	MPS
<i>Weekly earnings</i>			
First £100	Nil	Nil	Nil
On balance up to £670	12.8%	9.1%	11.4%
On balance over £670	12.8%	12.8%	12.8%

Employees' rates are reduced to 4.85% for married women with valid certificates of election but the 1% rate above £670 still applies. Rates are nil for men over 65 and women over 60. Normal employers' contributions are still payable.

Employers receive a rebate of 3.7% for salary-related schemes and 1.4% for money purchase schemes on earnings from £87 to £100 per week. A rebate of 1.6% on earnings from £87 to £100 per week is given to employees (or employers where insufficient contributions have been paid for offset).

Class 1A and Class 1B – 12.8%

Class 2 (Self-employed) – Flat rate £2.20 a week. Small earnings exemption £4,635 a year.

Class 3 (Voluntary contributions) – £7.80 a week.

Class 4 (Self-employed) – 8% of profits between £5,225 and £34,840 a year. 1% of profits above £34,840 a year.

Inheritance Tax

Transfers after 5 April 2007 and before 6 April 2008

Death Rates

Gross transfer	Rate %
Up to £300,000	Nil
Over £300,000	40

Chargeable lifetime transfers are initially charged at 20%. Annual gifts of up to £3,000 per donor are exempt.

Capital Gains Tax

Annual exempt amounts 2007/08	£
Individuals, disabled trusts, personal representatives for year of death and two years thereafter	9,200
Trusts generally	4,600

Rates

Individuals – 10%, 20% or 40% (taxed in line with interest: see column under *Income Tax Rates*)
Trusts and personal representatives – 40%

Taper relief (disposals after 5/4/2002)

Complete years held after 5/4/1998*	% of gain relieved	
	business assets	non-business assets
1	50	–
2	75	–
3	75	5
4	75	10
5	75	15
6	75	20
7	75	25
8	75	30
9	75	35
10 or more	75	40

*Including one bonus year for **non-business** assets held on 17 March 1998.

Corporation Tax

Financial Year to	31/3/2008	31/3/2007
Full rate	30%	30%
Small companies rate	20%	19%
20%/19% rate limit	£300,000	£300,000
marginal relief limit	£1,500,000	£1,500,000
marginal relief fraction	1/40	11/400
effective marginal rate	32.5%	32.75%

Individual Savings Accounts

	Overall limit	Cash limit
2007/08	£7,000	£3,000
2006/07	£7,000	£3,000

Savings are exempt from income tax and capital gains tax.

Car Benefit

CO ₂ emissions (2007/08) grams per km	% of list price (max. £80,000)	
	Petrol	Diesel
140	15	18
145	16	19
150	17	20
155	18	21
160	19	22
165	20	23
170	21	24
175	22	25
180	23	26
185	24	27
190	25	28
195	26	29
200	27	30
205	28	31
210	29	32
215	30	33
220	31	34
225	32	35
230	33	35
235	34	35
240	35	35

For cars registered from 1 January 1998 with no CO₂ emissions figures, the tax charge is 15% of the list price for engines up to 1,400 cc, 25% for engines of 1,401 cc to 2,000 cc and 35% for engines above 2,000 cc (18%, 28% and 35% for diesel cars).

Car Fuel Benefit

For 2007/08, car fuel is calculated by applying the above car benefit percentage to a figure of £14,400.

Tax-Free Mileage Allowances

Employee's own vehicle

	2007/08
<i>Motorcars and vans</i>	
Up to 10,000 business miles	40p
Over 10,000 business miles	25p
Each passenger making same trip	5p
<i>Motorcycles</i>	24p
<i>Cycles</i>	20p

Advisory fuel rates for company car from 1 February 2007

Cylinder capacity	Petrol	Diesel	LPG
Up to 1,400 cc	9p	9p	6p
1,401 cc to 2,000 cc	11p	9p	7p
Over 2,000 cc	16p	12p	10p