

## Individual Savings Accounts

	Overall limit	Cash limit
<b>2009/10</b>		
Age 50 or over	£10,200	£5,100
Age under 50	£7,200	£3,600
<b>2008/09</b>	£7,200	£3,600

## Registered Pension Schemes

### Individual contributions 2009/10

Maximum tax-relievable contributions are the higher of:

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

### Annual allowance

<b>2009/10</b>	<b>£245,000</b>
2008/09	£235,000

### Lifetime allowance

<b>2009/10</b>	<b>£1,750,000</b>
2008/09	£1,650,000

## Stamp Taxes

Shares and marketable securities 0.5%<sup>1</sup>

<sup>1</sup> Rounded up to the nearest multiple of £5. Transactions of value £1,000 or less exempt.

### Transfers of land and buildings (consideration paid)

Residential <sup>2</sup>	Non-residential	Rate
£175,000 or less	£150,000 or less	Nil
£175,001-£250,000	£150,001-£250,000	1%
£250,001-£500,000	£250,001-£500,000	3%
Over £500,000	Over £500,000	4%

### Leases

Rent (net present value)

Residential <sup>2</sup>	Non-residential	Rate
Up to £175,000	Up to £150,000	Nil
Over £175,000 <sup>3</sup>	Over £150,000	1%

<sup>2</sup> Different rates apply to leases with remaining term of less than 21 years

<sup>3</sup> 1% of excess over £125,000

Residential threshold to be reduced to £125,000 from 1.1.2010

### Premiums

Duty on premiums is the same as for transfers of land (but special rules apply to non-residential property where rent exceeds £1,000 annually).

## Capital Allowances

Agricultural buildings (straight-line basis)	Rate %
Writing-down allowance	2
<b>Dredging (straight-line basis)</b>	
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 2

### Know-how

(reducing balance basis) Writing-down allowance 25

### Mineral extraction

(reducing balance basis) Writing-down allowances General 25  
Acquisition of mineral asset 10

### Patent rights

(reducing balance basis) Writing-down allowance 25

### Plant and machinery

(reducing balance basis) Annual investment allowance (max £50,000) 100  
*First-year allowances*  
General 40  
Energy-saving or environmentally beneficial assets 100  
New low-emission cars 100  
*Writing-down allowances*  
General 20  
Cars (expenditure incurred on or after 1/6 April 2009 where CO<sub>2</sub> emissions exceed 160g/km) 10  
Integral features and thermal insulation 10  
Long-life assets 10

### Research and development

Allowance 100

## Venture Capital Schemes

	Investment limit	Income tax relief rate
Enterprise investment scheme	£500,000	20%
Venture capital trusts	£200,000	30%
Corporate venturing scheme		20%

Corporation tax relief rate

## Tax Credits

### Annual amounts 2009/10

Child tax credit	£
Family element	545
baby addition	545
Child element (for each child)	2,235
Addition for disabled child	2,670
Severe disabled child enhancement	1,075

### Working tax credit

Basic element	1,890
Lone parent and couple element	1,860
30-hour element	775
Disability element	2,530
Severe disability element	1,075
50-plus return to work payment (16 to 29 hours)	1,300
(30 or more hours)	1,935
Childcare element (up to 80% of costs)	<b>Weekly</b>
maximum eligible cost (1 child)	175
maximum eligible cost (2 or more)	300

### Income thresholds

First income threshold	6,420
eligible for child tax credit only	16,040
First withdrawal rate	39%
Second income threshold	50,000
Second withdrawal rate	6.67%
Income disregard	25,000

Tax Facts

Spring Budget Edition  
2009

## Income Tax Allowances

	2009/10	2008/09
	£	£
<b>Personal allowance</b>		
general	6,475	6,035
aged 65 to 74 in tax year	9,490	9,030
aged 75 or over in tax year	9,640	9,180
age allowance income limit	22,900	21,800
minimum where income exceeds limit	6,475	6,035
<b>Married couple's allowance*</b> (relief at 10%)		
either partner aged under 75 and born before 6 April 1935	N/A	6,535
either partner aged 75 or over in year of assessment	6,965	6,625
age allowance income limit	22,900	21,800
minimum where income exceeds limit	2,670	2,540

\*Available for civil partners.

Blind person's allowance 1,890 1,800

## Income Tax Rates

Taxable Income	Rate
£	%
<b>2009/10</b>	
<b>0 - 37,400</b>	<b>20</b>
<b>Over 37,400</b>	<b>40</b>
<b>2008/09</b>	
0 - 34,800	20
Over 34,800	40

**Savings** income is generally treated as the highest part of total income. A 10% starting rate, for savings income only, applies to the extent that such income falls within the first £2,440 of taxable income (£2,320 for 2008/09). If taxable non-savings income exceeds this limit, the 10% rate does not apply. 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

2009/10	Class 1 (Earnings related)		
	Not contracted out	Contracted out	
<b>Employees</b>			
<i>Weekly earnings</i>			
First £110	Nil	Nil	
£110.01–£770	11%	9.4%	
£770.01–£844	11%	11%	
Over £844	1%	1%	
<b>Employers</b>	<b>NCO</b>	<b>SRS</b>	<b>MPS</b>
<i>Weekly earnings</i>			
First £110	Nil	Nil	Nil
£110.01–£770	12.8%	9.1%	11.4%
Over £770	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 £844 still applies. Rates are nil for men over 65 and women over 60. Normal employers' contributions are still payable.

Employers also receive a rebate of 3.7% for salary-related schemes and 1.4% for money purchase schemes on earnings from £95 to £110 per week. A rebate of 1.6% on earnings from £95 to £110 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 £2.40 a week. Small earnings exemption £5,075 a year.  
**Class 3** (Voluntary contributions) – £12.05 a week.  
**Class 4** (Self-employed) – 8% of profits between £5,715 and £43,875 a year. 1% of profits above £43,875 a year.

## Inheritance Tax

Transfers after 5 April 2009 and before 6 April 2010	
Death Rates	Rate %
<b>Gross transfer</b>	
Up to £325,000*	Nil
Over £325,000	40
*Unused nil rate band is transferable to spouse or civil partner.	
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 2009/10	£
Individuals, disabled trusts, personal representatives for year of death and two years thereafter	<b>10,100</b>
Trusts generally	<b>5,050</b>
<b>Rate</b>	<b>18%</b>

## Corporation Tax

Financial Year to	31/3/2010	31/3/2009
Full rate	28%	28%
Small companies rate	21%	21%
21% rate limit	<b>£300,000</b>	£300,000
marginal relief limit	<b>£1,500,000</b>	£1,500,000
marginal relief fraction	<b>7/400</b>	7/400
effective marginal rate	<b>29.75%</b>	29.75%

## Value Added Tax

Standard rate	Lower rate	5%
1.12.08 – 31.12.09	15%	
From 1.1.10	17.5%	
Registration level from 1 May 2009	£68,000 pa	
Deregistration limit from 1 May 2009	£66,000 pa	

## VAT car fuel scale charges from 1 May 2009

CO <sub>2</sub> emissions	Quarterly returns	Monthly returns
grams per km	£	£
120	126	42
125, 130, 135	189	63
140	201	67
145	214	71
150	226	75
155	239	79
160	251	83
165	264	88
170	276	92
175	289	96
180	302	100
185	314	104
190	327	109
195	339	113
200	352	117
205	365	121
210	378	126
215	390	130
220	403	134
225	416	138
230	428	142
235	441	147

## Car Benefit

CO <sub>2</sub> emissions (2009/10)	% of list price (max. £80,000)	
grams per km	Petrol	Diesel
120	13	13
135	15	18
140	16	19
145	17	20
150	18	21
155	19	22
160	20	23
165	21	24
170	22	25
175	23	26
180	24	27
185	25	28
190	26	29
195	27	30
200	28	31
205	29	32
210	30	33
215	31	34
220	32	35
225	33	35
230	34	35
235	35	35

For cars registered from 1 January 1998 with no CO<sub>2</sub> 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 2009/10, car fuel benefit is calculated by applying the above car benefit percentage to a figure of £16,900.

## Tax-Free Mileage Allowances

Employee's own vehicle	2009/10
<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 January 2009

Cylinder capacity	Petrol	Diesel	LPG
Up to 1,400 cc	10p	11p	7p
1,401 cc to 2,000 cc	12p	11p	9p
Over 2,000 cc	17p	14p	12p