

## Car benefits 2017/18

Car benefit: Percentage (below) of list price	Fuel benefit: Percentage (below) of £22,600	
CO <sub>2</sub> emissions (g/km)	Petrol	Diesel
0 - 50	9%	12%
51 - 75	13%	16%
76 - 94	17%	20%
Tax charge increase by 1% per each additional 5g/km until:		
Petrol 190 and above / diesel 175 and above	37%	37%

## Van benefits

	2017/18	2016/17
Company van benefit	£3,230	£3,170
Van fuel benefit	£610	£598

## Approved mileage rates (employee's own vehicle)

Rate per mile	2017/18	2016/17
Car or van: First 10,000 miles	45p	45p
Car or van: Over 10,000 miles	25p	25p
Motorcycle	24p	24p
Bicycles	20p	20p
Additional passenger payment	5p	5p

Employers' payments for business use are free of tax and NIC if they do not exceed the above rates.

## Business tax

Corporation tax	Y/e 31.03.18	Y/e 31.03.17
	19%	20%

## Capital allowances

Annual Investment Allowance (AIA)	2017/18	2016/17
100% allowance for expenditure on plant and machinery (excluding cars) up to:	£200,000	£200,000

First year allowances (FYA)	2017/18	2016/17
Energy-saving or environmentally friendly plant and machinery, cars with CO <sub>2</sub> emissions below 75g/km and zero emissions goods vehicles	100%	100%

Writing-down annual allowances (WDA)	2017/18	2016/17
Standard rate	18% p.a.	18% p.a.
Special rate <sup>(1)</sup>	8% p.a.	8% p.a.

<sup>(1)</sup> Integral features, long life assets, thermal insulation of buildings, solar panels, cars with CO<sub>2</sub> emissions above 130g/km.

## Indirect tax

### Value added tax

	2017/18	2016/17
Standard rate	20%	20%
Annual turnover limits:		
Registration	£85,000	£83,000
De-registration	£83,000	£81,000
Flat rate scheme entrants turnover	£150,000	£150,000

### Stamp duty land tax (SDLT)

#### Property purchased in England, Wales and Northern Ireland

Residential <sup>(1)</sup>		Non-residential and mixed	
Band	Rate payable incremental	Band	Rate payable incremental
£1 - £125,000	Nil	£1 - £150,000	Nil
£125,001 - £250,000	2%	£150,001 - £250,000	2%
£250,001 - £925,000	5%	Above £250,000	5%
£925,001 - £1,500,000	10%		
Above £1,500,000	12%		
Enveloped properties over £500,000 <sup>(1)</sup> Slab basis	15%		

<sup>(1)</sup> Purchasers of second or buy-to-let properties above £40,000 are subject to 3% surcharge over the standard rate.

**Leases:** 1% on present value of rents above £125,000 (residential) or £150,000 (non-residential) and 2% on value above £5,000,000 (non-residential only).

### Stamp duty

Shares and securities 0.5%

To see how we can help you, contact our tax team at

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Partners

Tax rates  
2017/18

8 March 2017

# Personal tax

## Income tax rates

2017/18

General rate	Dividend rate	Taxable income	Cumulative tax
20%( <sup>1)</sup> )	7.5%	£0 to £33,500	£6,700
40%	32.5%	£33,501 to £150,000	£46,600
45%	38.1%	Over £150,000	-

2016/17

General rate	Dividend rate	Taxable income	Cumulative tax
20%( <sup>1)</sup> )	7.5%	£0 to £32,000	£6,400
40%	32.5%	£32,001 to £150,000	£47,200
45%	38.1%	Over £150,000	-

*Certain trusts taxed at 45% (38.1% on dividend income).*

<sup>(1)</sup> Savings income taxable at 0% to the extent that other taxable income is less than £5,000.

## Allowances and reliefs

	2017/18	2016/17
Personal allowance	£11,500( <sup>1)</sup> )	£11,000( <sup>1)</sup> )
Marriage allowance	£1,150( <sup>2)</sup> )	£1,100( <sup>2)</sup> )
Dividend allowance	£5,000	£5,000
Personal Savings allowance:		
Basic Rate Taxpayers	£1,000	£1,000
Higher Rate Taxpayers	£500	£500
Blind Person's allowance	£2,320	£2,290
Married Couples allowance	£8,445( <sup>3)</sup> )	£8,355( <sup>3)</sup> )
Minimum Married couples allowance	£3,260	£3,220

<sup>(1)</sup> Withdrawn at a rate of £1 allowance for £2 of income over £100,000.

<sup>(2)</sup> Spouses and civil partners not eligible for married couples allowance may transfer up to this amount between them, provided neither are liable to income tax above the basic rate.

<sup>(3)</sup> Withdrawn at a rate of £1 allowance for every £2 income over £28,000 (£27,700 2016/17) subject to the minimum allowance. Relief is given at 10%. One spouse must have been born before 6 April 1935.

## Inheritance tax

Tax rate on death	2017/18	2016/17
Nil	£0-325,000( <sup>1)</sup> )	£0-325,000( <sup>1)</sup> )
40%( <sup>2)</sup> )	Over £325,000	Over £325,000

<sup>(1)</sup> Additional residence nil rate band (RNRB) of £100,000 available from 6 April 2017 for transfers of a main residence to direct descendants. NRB and RNRB for estate of spouse are increased by unutilised percentage of NRB and RNRB of pre-deceased spouse. RNRB tapers away for estates over 2m.

<sup>(2)</sup> Rate reduced to 36% where 10% or more of the net estate left to charity.

## National insurance contributions 2017 / 18

Class 1

Employee (primary)		Employer (secondary) <sup>(2)</sup>	
Weekly earnings	NIC rate	Weekly earnings	NIC rate
Below £157.01( <sup>1)</sup> )	0%	Below £157.01	0%
£157.01 - £866	12%	Above £157.01( <sup>3)</sup> )	13.8%
Above £866	2%		

Class 1A (employer) 13.8% on most benefits in kind not within Class 1.  
 Class 2 (self-employed) Flat rate £2.85 p.w. (Small profits threshold £6,025).  
 Class 3 (voluntary) Flat rate £14.25 p.w.  
 Class 4 (self-employed) 9% on annual profits between £8,164 and £45,000.  
 2% on annual profits above £45,000.

<sup>(1)</sup> Weekly earnings of £113 or more secure entitlement to contributory benefits.

<sup>(2)</sup> Most private sector employers entitled to £3,000 annual employment allowance.

<sup>(3)</sup> No employer contribution on weekly earnings £157 - £866 for employees aged under 21 and qualifying apprentices aged under 25.

## Capital gains tax

	2017/18	2016/17
Basic rate individual( <sup>1)</sup> )	10%	10%
Higher rate individual( <sup>2)</sup> )	20%	20%
UK trust( <sup>2)</sup> )	20%	20%
Entrepreneurs' gains tax	10%	10%
Entrepreneurs' relief limit	£10m	£10m
Individual annual exemption	£11,300	£11,100
Trust annual exemption	£5,650	£5,550

<sup>(1)</sup> Rate for gains on disposals of residential property is 18%.

<sup>(2)</sup> Rate for gains on disposals of residential property is 28%.

## Individual savings account (ISA)

Annual contribution limits	2017/18	2016/17
Cash and Shares ISA	£20,000	£15,240
Junior ISA ( <sup>1)</sup> )	£4,128	£4,080
Help To Buy ISA ( <sup>2)</sup> )	£2,400	£2,400
Lifetime ISA ( <sup>3)</sup> )	£4,000	-

<sup>(1)</sup> Under the age of 18.

<sup>(2)</sup> Cash ISA for first-time house buyers over the age of 16. An initial investment of up to £1,000 in addition to the annual limit applying to monthly savings.

<sup>(3)</sup> Aged 18-40 25% government bonus on savings. 25% charge on withdrawals before age 60 unless used to purchase first home.

## Pensions tax relief

	2017/18	2016/17
Annual Allowance( <sup>1)</sup> )	£40,000	£40,000
High Earners Restricted Annual Allowance( <sup>2)</sup> )	£10,000	£10,000
Money Purchase Annual Allowance( <sup>3)</sup> )	£4,000	£10,000
Lifetime Allowance	£1m	£1m

Employee contributions are limited to the higher of £3,600 and 100% of relevant UK earnings, subject to the allowance restrictions.

<sup>(1)</sup> Tax relief applies to combined total employer and employee contributions up to the annual allowance plus unutilised annual allowances from the three previous years.

<sup>(2)</sup> For those with total income more than £110,000 and adjusted earnings (broadly, earnings including all pension contributions) in excess of £150,000, the Annual Allowance is reduced by £1 for every £2 over £150,000, until, at £210,000 the minimum £10,000 allowance applies.

<sup>(3)</sup> A restricted Money Purchase Annual Allowance applies to those who have accessed their pension fund under the new flexible access rules.

## Enterprise investment scheme (EIS)

	2017/18	2016/17
Investment qualifying for income tax relief	£1m	£1m
Income tax relief	30%	30%
Capital gains tax on EIS shares	Nil	Nil
Capital gains deferral by EIS investment	Unlimited	Unlimited

## Seed enterprise investment scheme (SEIS)

	2017/18	2016/17
Investment qualifying for income tax relief	£100,000	£100,000
Income tax relief	50%	50%
Capital gains tax on SEIS shares	Nil	Nil
Capital gains maximum re-investment exemption	50%( <sup>1)</sup> )	50%( <sup>1)</sup> )

<sup>(1)</sup> 50% of qualifying investment.

## Venture capital trust (VCT)

	2017/18	2016/17
Investment qualifying for income tax relief	£200,000	£200,000
Income tax relief	30%	30%
Tax on dividends	Nil	Nil
Capital gains tax on VCT shares	Nil	Nil

## Social investment tax relief (SITR)

	2017/18	2016/17
Investment qualifying for income tax relief	£1m	£1m
Income tax relief	30%	30%
Capital gains tax on SITR investment	NIL	NIL
Capital gains deferral	Unlimited	Unlimited