

Car benefits 2019/20

Car benefit: Percentage (below) of list price	Fuel benefit: Percentage (below) of £24,100	
CO ₂ emissions (g/km)	Petrol	Diesel ⁽¹⁾
0 - 50	16%	20%
51 - 75	19%	23%
76 - 94	22%	26%
Tax charge increase by 1% per each additional 5g/km until:		
Petrol 165 and above / diesel 145 and above	37%	37%

⁽¹⁾ Cars that meet the Real Driving Emissions Step 2 (RDE 2) standard are exempt from the diesel supplement.

Van benefits

	2019/20	2018/19
Company van benefit	£3,430	£3,350
Van fuel benefit	£655	£633

Approved mileage rates (employee's own vehicle)

Rate per mile	2019/20	2018/19
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 31.03.20	Y/e 31.03.19
	19%	19%

Capital allowances

Annual Investment Allowance (AIA)	From 1 Jan 2019	To 31 Dec 2018
100% allowance for expenditure on plant and machinery (excluding cars) up to: ⁽¹⁾	£1,000,000	£200,000

First year allowances (FYA)	2019/20	2018/19
Energy-saving or environmentally beneficial plant and machinery, cars with CO ₂ emissions below 50g/km (50g/km 2018/19) and zero emissions goods vehicles	100%	100%

Writing-down annual allowances (WDA)	2019/20	2018/19
Standard rate	18% p.a.	18% p.a.
Special rate ⁽¹⁾	6% p.a.	8% p.a.

⁽¹⁾ Integral features, long life assets, thermal insulation of buildings, solar panels, cars with CO₂ emissions above 110g/km (110g/km 2018/19).

Structures and buildings allowance (SBA)	From 28 Oct 2018
Expenditure incurred after 28 October 2018	2% p.a. (straight line basis)

Indirect tax

Value added tax

	2019/20	2018/19
Standard rate	20%	20%
Annual turnover limits:		
Registration	£85,000	£85,000
De-registration	£83,000	£83,000
Flat rate scheme entrants turnover	£150,000	£150,000

Stamp duty land tax (SDLT)

Property purchased in England and Northern Ireland

Residential ⁽¹⁾		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%		
First Time Buyers			
Enveloped properties over £500,000 ⁽¹⁾ Slab basis		£0 - £300,000	Nil
		£301,000 - £500,000	5%

⁽¹⁾ 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%
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To see how we can help you, contact our tax team at:

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M+A

Partners

Tax rates
2019/20

March 2019

Personal tax

Income tax rates

2019/20

General rate	Dividend rate	Taxable income	Cumulative tax
20% ⁽¹⁾	7.5%	£0 to £37,500	£7,500
40%	32.5%	£37,501 to £150,000	£52,500
45%	38.1%	Over £150,000	-

2018/19

20% ⁽¹⁾	7.5%	£0 to £34,500	£6,900
40%	32.5%	£34,501 to £150,000	£53,100
45%	38.1%	Over £150,000	-

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

From 6 April 2018 Scottish taxpayers are subject to the rates and bands set by the Scottish Government.

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

Allowances and reliefs

	2019/20	2018/19
Personal allowance	£12,500 ⁽¹⁾	£11,850 ⁽¹⁾
Marriage allowance	£1,250 ⁽²⁾	£1,185 ⁽²⁾
Dividend allowance	£2,000	£2,000
Personal Savings allowance:		
Basic Rate Taxpayers	£1,000	£1,000
Higher Rate Taxpayers	£500	£500
Blind Person's allowance	£2,450	£2,390
Married Couples allowance	£8,915 ⁽³⁾	£8,695 ⁽³⁾
Minimum Married couples allowance	£3,450	£3,360

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

⁽²⁾ 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.

⁽³⁾ Withdrawn at a rate of £1 allowance for every £2 income over £29,600 (£28,900 2018/19) 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	2019/20	2018/19
Nil	£0-325,000 ⁽¹⁾	£0-325,000 ⁽¹⁾
40% ⁽²⁾	Over £325,000	Over £325,000

⁽¹⁾ Additional residence nil rate band (NRB) of £150,000 (£125,000 2018/19) 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.

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

National insurance contributions 2019/20

Class 1

Employee (primary)		Employer (secondary) ⁽²⁾	
Weekly earnings	NIC rate	Weekly earnings	NIC rate
£0 - £166 ⁽¹⁾	0%	Below £166	0%
£166.01 - £962	12%	Above £166 ⁽³⁾	13.8%
Above £962	2%		

Class 1A (employer) 13.8% on taxable non-cash benefits.

Class 1B (employer) 13.8% on on Pay As You Earn Settlement Agreement (PSA) earnings.

Class 2 (self-employed) Flat rate £3.00 p.w. (Small profits threshold £6,365).

Class 3 (voluntary) Flat rate £15.00 p.w.

Class 4 (self-employed) 9% on annual profits between £8,632 and £50,000. 2% on annual profits above £50,000.

⁽¹⁾ Weekly earnings of £118 (£116 2018/19) or more secure entitlement to contributory benefits.

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

⁽³⁾ No employer contribution on weekly earnings £166 - £962 for employees aged under 21 and qualifying apprentices aged under 25.

Capital gains tax

	2019/20	2018/19
Basic rate individual ⁽¹⁾	10%	10%
Higher rate individual ⁽²⁾	20%	20%
UK trust ⁽²⁾	20%	20%
Entrepreneurs' gains tax	10%	10%
Entrepreneurs' relief limit	£10m	£10m
Individual annual exemption	£12,000	£11,700
Trust annual exemption	£6,000	£5,850

⁽¹⁾ Rate for gains on disposals of residential property is 18%.

⁽²⁾ Rate for gains on disposals of residential property is 28%.

Pensions tax relief

	2019/20	2018/19
Annual Allowance ⁽¹⁾⁽⁴⁾	£40,000	£40,000
High Earners Restricted Annual Allowance ⁽²⁾⁽⁴⁾	£10,000	£10,000
Money Purchase Annual Allowance ⁽³⁾	£4,000	£4,000
Lifetime Allowance ⁽⁴⁾	£1,055,000	£1,030,000

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

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

⁽²⁾ 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.

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

⁽⁴⁾ For those in defined benefit schemes the allowances are measured in terms of value of pensions rather than contributions.

Individual savings account (ISA)

Annual contribution limits	2019/20	2018/19
Cash and Shares ISA	£20,000	£20,000
Junior ISA ⁽¹⁾	£4,368	£4,260
Help To Buy ISA ⁽²⁾	£2,400	£2,400
Lifetime ISA ⁽³⁾	£4,000	£4,000

⁽¹⁾ Under the age of 18.

⁽²⁾ 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. 25% government bonus on savings. No new accounts can be opened after 30 November 2019.

⁽³⁾ Aged 18-40 25% government bonus on savings. 25% charge on withdrawals before age 60 unless used to purchase first home. Contributions count for £20,000 limit on cash and shares ISA.

Enterprise investment scheme (EIS)

	2019/20	2018/19
Investment qualifying for income tax relief	£1m ⁽¹⁾	£1m ⁽¹⁾
Income tax relief	30%	30%
Capital gains tax on EIS shares ⁽²⁾	Nil	Nil
Capital gains deferral by EIS investment	Unlimited	Unlimited

⁽¹⁾ £2m provided any amount over £1m is invested in one or more knowledge-intensive companies.

⁽²⁾ Provided shares have been held for a minimum of 3 years.

Seed enterprise investment scheme (SEIS)

	2019/20	2018/19
Investment qualifying for income tax relief	£100,000	£100,000
Income tax relief	50%	50%
Capital gains tax on SEIS shares ⁽¹⁾	Nil	Nil
Capital gains maximum re-investment exemption ⁽²⁾	50%	50%

⁽¹⁾ Provided shares have been held for a minimum of 3 years.

⁽²⁾ 50% of qualifying investment.

Venture capital trust (VCT)

	2019/20	2018/19
Investment qualifying for income tax relief	£200,000	£200,000
Income tax relief	30%	30%
Income tax on dividends	Nil	Nil
Capital gains tax on VCT shares	Nil	Nil

Social investment tax relief (SITR)

	2019/20	2018/19
Investment qualifying for income tax relief	£1m	£1m
Income tax relief	30%	30%
Capital gains tax on SITR investment ⁽¹⁾	Nil	Nil
Capital gains deferral	Unlimited	Unlimited

⁽¹⁾ Provided shares have been held for a minimum of 3 years.