

Current Tax Rates and Allowances

	2010/11	2009/10
Personal allowance**		
General	£6,475	£6,475
aged 65 to 74	£9,490	£9,490
aged 75 or over	£9,640	£9,640
age allowance income limit	£22,900	£22,900
MCA (10% relief)		
aged 75 or over	£6,965	£6,965
** Progressively withdrawn for income over £100,000 from 2010/11		
Income tax rates		
Basic rate 20%	- up to £37,400	£37,400
Higher rate 40%	£37,400 – £150,000	over £37,400
Additional Rate 50%	Over £150,000	N/A
Capital Gains		
Before 23 June 2010 &		
Basic rate taxpayers	18%	18%
Higher rate from 23/6/2010	28%	-
(Entrepreneur relief – effective rate of 10% on business gains)		
CGT Annual Exemption	£10,100	£10,100
Inheritance tax threshold	£325,000	£325,000
Corporation tax		
Small companies (£0 – £300,000)	21%	21%
(£300,000 – £1,500,000)	marginal relief	marginal relief
(£1,500,001 or more)	28%	28%
National Insurance		
<i>Class 1</i> – lower earnings limit	£97	£95
weekly earnings above	£110	£110
Employers	12.8%	12.8%
Employees	11.0%	11.0%
Employees £844+ pw	1.0%	1.0%
<i>Class 2</i> – self employed weekly	£2.40	£2.40

Sheppards

CHARTERED ACCOUNTANTS

Small earnings exemption limit	£5,075	£5,075
<i>Class 4</i> – Rate	8.0%	8.0%
Band	£5,715–£43,875	£5,715–43,875
Over £43,875 per year (£40,040–2008/9)	1.0%	1.0%

Business Tax Payments

Businesses in temporary financial difficulty can apply to spread payment of VAT, PAYE, NI, Income tax and Corporation Taxes. Please call the Business Payment Support Line on 0845 302 1435 if you need to discuss options for paying current business taxes in instalments.

Fuel Duty Rates

The 2009 budget announced that the main rate of fuel duty would increase on 1 April 2010. The 2010 budget announces that this increase will be implemented in three stages: 1p per litre on 1 April 2010, 1p per litre on 1 October 2010 and 0.76p per litre on 1 January 2011.

Stamp Duty

From 25 March 2010 an exemption from SDLT can be claimed by first time buyers of residential property up to a value of £250,000. The rate of SDLT on purchases of residential property over £1 million is increased to 5% with effect from 6 April 2011.

Individual Savings Account (ISA)

The government announced an increase to the annual ISA limit from £7,200 to £10,200 of which £5,100 can be saved in cash as from 6 April 2010.

Inheritance Tax

The inheritance tax NIL rate band is frozen at £325,000 for 2010/11.

National Minimum Wage

The minimum wage hourly rates for adults (over 22 to October 2010 and over 21 from October 2010), youths (18–21/20) and 16/17 year olds are as follows :-

	Oct 2009	Oct 2010
Adult	5.80	5.93
Youth	4.83	4.92
16/17 yr olds	3.57	3.64