

TAX RATES

2008/9 and 2009/10

INCOME TAX RELIEFS

	2009/10	2008/09
Personal allowances		
- Basic	£6,475	£6,035
- Age allowance 65-74	£9,490	£9,030
- Age allowance 75 & over	£9,640	£9,180
Income limit for age-related allowances*	£22,900	£21,800
Blind persons allowance	£1,890	£1,800

*Allowances reduced by £1 for every £2 over this limit.

MAIN INCOME TAX RATES 2009/10

(taxable income after personal allowances)	
20% on first	£37,400
40% on income over	£37,400
Dividends for basic rate Taxpayers	10%
Dividends for higher rate Taxpayers	32.5%
Foreign dividends taxable on remittance basis	40%
Other investment income for basic rate Taxpayers *	20%
Other investment income for higher rate Taxpayers	40%
Trusts	
- General	40%
- Discretionary - Dividends	32.5%

*10% starting rate limit for savings income £2,440. Only applicable if taxable non-savings income is below this limit.

INCOME TAX RATES 2008/09

(taxable income after personal allowances)	
20% on first	£34,800
40% on income over	£34,801
Dividends for basic rate Taxpayers	10%
Dividends for higher rate Taxpayers	32.5%
Foreign dividends taxable on remittance basis	40%
Other investment income for basic rate Taxpayers *	20%
Other investment income for higher rate Taxpayers	40%
Trusts	
Trusts	
- General	40%
- Discretionary - Dividends	32.5%

*10% starting rate limit for savings income £2,320. Only applicable if taxable non-savings income is below this limit.

CAPITAL GAINS TAX

	2009/10	2008/09
Rates of Tax		
- Individuals	18%	18%
- Trusts	18%	18%
Annual Exemptions		
- Individuals	£10,100	£9,600
- Trustees	£5,050	£4,800

UK CORPORATION TAX

	2009/10	2008/09
Small Companies Rate (£0 - £300,000)	21%	21%
Marginal Limit (£300,001 - £1,500,000)	29.75%	29.75%
Main Rate, above £1,500,000	28%	28%

NATIONAL INSURANCE (Figures in brackets are for 2008/09)

	2009/10		2008/09	
	Employee	Employer	Employee	Employer
Class 1				
Not Contracted out				
£0 - £110 (£105) weekly	Nil	Nil	Nil	Nil
£111 - £844 (£770) weekly	11%	12.8%	11%	12.8%
Over £844 (£770) weekly	1%	12.8%	1%	12.8%

Class 1	Employee		Employer		Employee		Employer	
		SR	MP		SR	MP		SR
Contracted out								
£0 - £110 (£105) weekly	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
£111 - £844 (£770) weekly	9.4%	9.1%	11.4%	9.4%	9.1%	11.4%	9.4%	9.1%
Over £844 (£770) weekly	1%	12.8%	12.8%	1%	12.8%	12.8%	1%	12.8%

SR - Salary related scheme MP - Money purchase scheme

	2009/10	2008/09
Class 1A and Class 1B	12.8%	12.8%
Class 2 - Per week on annual earnings over £5,075 (£4,825)	£2.40	£2.30
Class 3 - Voluntary per week	£12.05	£8.10
Class 4 - Self employed individuals		
- £0 - £5,715 (£5,435)	Nil	Nil
- £5,435 - £43,875 (£40,040)	8%	8%
- Over £43,875 (£40,040)	1%	1%

INHERITANCE TAX

	2009/10	2008/09
Threshold	£325,000	£312,000
Annual Exemption	£3,000	£3,000
Death Rate	40%	40%
Lifetime Rate	20%	20%

VAT

	2009/10	2008/09
Standard Rate	15%	17.5%
Registration Threshold	£68,000	£67,000
Flat Rate Scheme Taxable Turnover Limit	£150,000	£150,000