

TAX RATES

2015/16 and 2016/17

INCOME TAX, CAPITAL GAINS TAX, AND INHERITANCE TAX

Income tax personal and age-related allowances	2016/17	2015/16
Personal allowance (for income up to £100,000)	£11,000	£10,600
Personal allowance (born 06/04/38 - 05/04/48)	£11,000	£10,600
Personal allowance (born before 06/04/38)	-	£10,660
There is a £100,000 earnings limit after which no personal allowance is available. This applies to both employees and the Self Employed		
Married couple's allowance* (born before 06/04/35)	£8,355	£8,355
Transferable marriage allowance	£1,100	£1,060
Income limit for age-related allowances	-	£27,700
Blind person's allowance	£2,290	£2,290
Capital gains tax annual exempt amount		
Individuals etc.	£11,100	£11,100
Most trustees	£5,550	£5,550
Individual inheritance tax allowance		£325,000
Pension schemes allowances		
Annual Allowance	£40,000	£40,000
Lifetime Allowance	£1,000,000	£1,250,000

* Married couple's allowance is given as a 10% tax credit.

INCOME TAX: TAXABLE BANDS

2016-17	2016/17	2015/16
0% starting rate for savings*	£5,000	£5,000
20% on income up to	£32,000	£31,785
40% on income over	£32,000	£31,785
45% on income over	£150,000	£150,000

* Restricted to savings income and not available if non-savings income exceeds starting rate limit.

WORKING AND CHILD TAX CREDITS RATES

£ per year (unless stated)	2016/17	2015/16
Working Tax Credit		
Basic element	£1,960	£1,960
Couple and lone parent element	£2,010	£2,010
30 hour element	£810	£810
Disabled worker element	£2,970	£2,970
Severe disability element	£1,275	£1,275
Childcare element of the Working Tax Credit		
Maximum eligible cost for one child	£175 per week	£175 per week
Maximum eligible cost for two or more children	£300 per week	£300 per week
Percentage of eligible costs covered	70%	70%
Child Tax Credit		
Family element	£545	£545
Child element	£2,780	£2,780
Disabled child element	£3,140	£3,140
Severely disabled child element	£1,275	£1,275
Income thresholds and withdrawal rates		
First income threshold	£6,420	£6,420
First withdrawal rate	41%	41%
First threshold for those entitled to Child Tax Credit only	£16,105	£16,105
Income rise disregard	£2,500	£5,000
Income fall disregard	£2,500	£2,500

CHILD BENEFIT AND GUARDIAN'S ALLOWANCE RATES

£ per week	2016/17	2015/16
Elders/Only Child	£20.70	£20.70
Other Children	£13.70	£13.70
Guardian's Allowance	£16.55	£16.55

NATIONAL INSURANCE CONTRIBUTIONS

£ per week (unless stated)	2016/17	2015/16
Lower earnings limit, primary Class 1 (LEL)	£112	£112
Upper earnings limit, primary Class 1 (UEL)	£827	£815
Primary threshold (PT)	£155	£155
Secondary threshold (ST)	£156	£156
Employees' primary Class 1 rate between primary threshold and upper earnings limit	12%	12%
Employees' primary Class 1 rate above upper earnings limit	2%	2%
Employees' contracted-out rebate - salary-related schemes	-	1.4%
Married women's reduced rate between primary threshold and upper earnings limit	5.85%	5.85%
Married women's rate above upper earnings limit	2%	2%
Employers' secondary Class 1 rate above secondary threshold	13.8%*	13.8%*
Employers' contracted-out rebate, salary-related schemes	-	3.4%
Class 2 rate	£2.80	£2.80
Class 2 small earnings exception (per year)	£5,965	£5,965
Special Class 2 rate for share fishermen	£3.45	£3.45
Special Class 2 rate for volunteer development workers	£5.60	£5.60
Class 3 rate (per week)	£14.10	£14.10
Class 4 lower profits limit (per year)	£8,060	£8,060
Class 4 upper profits limit (per year)	£43,000	£42,385
Class 4 rate between lower profits limit and upper profits limit	9%	9%
Class 4 rate above upper profits limit	2%	2%

* 0% from 6 April 2015 in respect of employees aged under 21 on weekly earnings up to UEL.

CORPORATION TAX ON PROFITS

£ per year (unless stated)	2016/17	2015/16
Small profits rate*	-	20%
Small profits rate can be claimed by qualifying companies with profits at a rate not exceeding		£300,000
Main rate of Corporation Tax*	20%	20%
Special rate for unit trusts and open-ended investment companies	20%	20%

*From 1 April 2015 there is a single Corporation Tax rate of 20% for non-ring fence profits. Use the [Marginal Relief calculator](#) to work out how much Marginal Relief you can claim on your Corporation Tax for profits before 1 April 2015. At Summer Budget 2015, the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting the 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

VAT RATES

Rate	% of VAT	What the rate applies to
Standard	20%	Most goods and services
Reduced rate	5%	Some goods and services, eg children's car seats and home energy
Zero rate	0%	Zero-rated goods and services, eg most food and children's clothes

STAMP TAXES AND DUTIES

Rate	Property purchase price
Zero	Up to £125,000
2%	The next £125,000 (the portion from £125,001 to £250,000)
5%	The next £675,000 (the portion from £250,001 to £925,000)
10%	The next £575,000 (the portion from £925,001 to £1.5 million)
12%	The remaining amount (the portion above £1.5 million)
15%	On residential properties costing more than £500,000 bought by certain corporate bodies (or 'non-natural persons') . Including companies, partnerships including companies and collective investment schemes