

# TAX RATES

## 2016/17 and 2017/18

### INCOME TAX, CAPITAL GAINS TAX, AND INHERITANCE TAX

Income tax personal and age-related allowances	2017/18	2016/17
Personal allowance (for income up to £100,000)	£11,500	£11,000
Personal allowance (born 06/04/38 - 05/04/48)	£11,500	£11,000
Personal allowance (born before 06/04/38)	-	-
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)	£8,445	£8,355
Transferable marriage allowance	£1,150	£1,100
Income limit for age-related allowances	-	-
Blind person's allowance	£2,320	£2,290
<b>Capital gains tax annual exempt amount</b>		
Individuals etc.	£11,300	£11,100
Most trustees	£5,650	£5,550
<b>Individual inheritance tax allowance</b>	£325,000	£325,000
<b>Pension schemes allowances</b>		
Annual Allowance	£40,000	£40,000
Lifetime Allowance	£1,000,000	£1,000,000

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

### INCOME TAX: TAXABLE BANDS

2016-17	2017/18	2016/17
0% starting rate for savings*	£5,000	£5,000
20% on income up to	£33,500	£32,000
40% on income over	£33,500	£32,000
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)	2017/18	2016/17
<b>Working Tax Credit</b>		
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
<b>Childcare element of the Working Tax Credit</b>		
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%
<b>Child Tax Credit</b>		
Family element	£545	£545
Child element	£2,780	£2,780
Disabled child element	£3,175	£3,140
Severely disabled child element	£1,290	£1,275
<b>Income thresholds and withdrawal rates</b>		
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	£2,500
Income fall disregard	£2,500	£2,500

### CHILD BENEFIT AND GUARDIAN'S ALLOWANCE RATES

£ per week	2017/18	2016/17
Elders/Only Child	£20.70	£20.70
Other Children	£13.70	£13.70
Guardian's Allowance	£16.70	£16.55

### NATIONAL INSURANCE CONTRIBUTIONS

£ per week (unless stated)	2017/18	2016/17
Lower earnings limit, primary Class 1 (LEL)	£113	£112
Upper earnings limit, primary Class 1 (UEL)	£866	£827
Primary threshold (PT)	£157	£155
Secondary threshold (ST)	£157	£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	-	-
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	-	-
Class 2 rate	£2.85	£2.80
Class 2 small earnings exception (per year)	£6,025	£5,965
Special Class 2 rate for share fishermen	£3.50	£3.45
Special Class 2 rate for volunteer development workers	£5.65	£5.60
Class 3 rate (per week)	£14.25	£14.10
Class 4 lower profits limit (per year)	£8,164	£8,060
Class 4 upper profits limit (per year)	£45,000	£43,000
Class 4 rate between lower profits limit and upper profits limit	9%	9%
Class 4 rate above upper profits limit	2%	2%

### CORPORATION TAX ON PROFITS

£ per year (unless stated)	2017/18	2016/17
Small profits rate*	-	-
Small profits rate can be claimed by qualifying companies with profits at a rate not exceeding		
Main rate of Corporation Tax*	19%	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