

**Cesca**

**Accounting**

**London**



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TIPS**

## **RATES AND ALLOWANCES**

**2018 / 2019**

**The following tax rates and allowances to be used in answering the questions:**

**Rates of Income Tax**

Basic rate £0 –£34,500	20%
Higher rate from £34,5001 to £150,000	40%
Additional rate over £150,000	45%

If total taxable income < £14,850 – savings income is tax free

Personal Savings Allowance – Basic Rate	£1,000
Personal Savings Allowance – Higher Rate	£500
Personal Savings Allowance – Additional Rate	£0

Starting rate for savings	0%
Starting rate limit for savings	£5,000

**Dividend rates**

Dividend ordinary rate	7.5%,
Dividend upper rate	32.5%
Dividend additional rate	38.1%

<b>Dividend Allowance</b>	£2,000
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<b>Personal allowances</b>	£11,850
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If adjusted net income exceeds £100,000 the basic personal allowance is reduced by one-half of the excess.

£1,100 may be transferable between certain spouses where both are basic rate taxpayers

**Property Income**

Rent a room relief	£7,500
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**Company car Tax**

Emission qualifying for 13% charge	50g/Km
Emission rating qualifying for 16% charge	75g/Km
Emission rating qualifying for 19% charge	76 – 94g/Km
Emission rating qualifying for 20% charge	99g/Km
Emission rating qualifying for 21% charge	100g/Km
Each additional 5 g/Km	1%
Diesel engine	4%
Maximum	37%

Cars that meet the Real Driving Emissions Step 2 (RDE2) standard are exempt from the diesel supplement.

**Fuel Scale Charge**

<b>Car Benefit</b>	£23,400
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<b>Van Benefit</b>	£3,350
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**Van Fuel Benefit** £633

**Rates of Interest**

Official rate of interest 2017 18 2.50%

**NICs**

**Class 2**

	2018 to 2019	2017 to 2018
Small Profits Threshold amount per year	£6,205	£6,025
Rate per week	£2.95	£2.85

**Class 4**

Lower profits limit £8,424; 2017/18 Lower profits limit £8,164;  
 Upper profits limit £46,350; 2017/18 Upper profits limit £44,000  
 Rate between lower and upper limits 9%  
 Rate beyond upper limit 2%

**Primary Class 1 NIC rates**

2018/19	2017/18	
Weekly paid First £162 Next £730 (up to £892) Over £892	Weekly paid First £157 Next £709 (up to £8966) Over £866	Nil 12% 2%
Monthly paid First £702 Next £3,161 (up to £3,863) Over £3,863	Monthly paid First £680 Next £3,070 (up to £3,750) Over £3,750	Nil 12% 2%

**Secondary Class 1 NIC Rates**

2018/19	2017/18	
Weekly paid First £162 Next £730 (up to £892) Over £892	Weekly paid First £157 Next £709 (up to £866) Over £866	Nil 13.8% 13.8%
Monthly paid First £702 Next £3,161 (up to £3,863) Over £3,863	Monthly paid First £680 Next £3,070 (up to £3,750)	Nil 13.8%

GOV.UK source

	Over £3,750	13.8%
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Employment allowance (per employer)           £3,000

**Corporation tax allowances and reliefs**

**Corporation Tax**

**To 31.3.2019**

Main rate   19%

**Capital Allowances**

Writing Down Allowance per year  
     Plant and Machinery main pool           18%  
     Special rate pool (>130g/km)           8%

- Annual investment allowance is £200,000 after 1.1.2016
- First Year Allowances on qualifying plant and machinery:
- Low emission cars (<75 g/km)           100%

**Research and Development (R&D)**

tax credits small and medium sized business (SME) scheme           230%

R&D SME payable credit                       14.5%

R&D Expenditure Credit                       12%

**Patent Box**                                       10%

**Film tax relief**                               25%

**Videogames tax relief**                     25%

**High-end TV tax relief**                   25%

**Capital Gains Tax**

Annual exemption                               £11,700

Standard rate of CGT                         10%

Higher rate of CGT                           20%

Standard rate for property                   18%

Higher rate for property                   28%

Main rate for trustees and personal representatives           28%

Rate on gains subject to investors' relief   10%

### **Inheritance Tax**

Rate on lifetime transfers	20%
Rate on death	40%
Reduced rate (for estates leaving 10% or more to charity)	36%

<b>Date of Transfer</b>	<b>Nil Rate Band</b>
6 April 2005 – 5 April 2006	£0 – £275,000
6 April 2006 – 5 April 2007	£0 – £285,000
6 April 2007 – 5 April 2008	£0 – £300,000
6 April 2008 – 5 April 2009	£0 – £312,000
6 April 2009 – 5 April 2019	£0 – £325,000

### **Taper Relief**

Period between transfer and death	% Tax Reduction
0 – 3 years	0%
3 – 4 years	20%
4 – 5 years	40%
5 – 6 years	60%
6 – 7 years	80%

Residence nil rate band limit           £125,000

### **Value Added Tax**

Standard rate	20%
Reduced rate	5%
Registration threshold	£85,000
Deregistration threshold	£83,000

**<https://www.gov.uk/government/publications/rates-and-allowances-national-insurance-contributions/rates-and-allowances-national-insurance-contributions>**