

# Tax rates and allowances

## Income tax allowances

	2019/20	2018/19
	£	£
<b>Personal allowance</b>	12,500	11,850
Income limit	100,000	100,000
<b>Transferable marriage allowance<sup>1</sup></b>	1,250	1,185
<b>Married couple's allowance<sup>1</sup></b> (relief at 10%)		
Either partner born before 6.4.1935	8,915	8,695
Income limit	29,600	28,900
Minimum where income exceeds limit	3,450	3,360
<b>Blind person's allowance</b>	2,450	2,390
<b>Dividend allowance</b>	2,000	2,000
<b>Personal savings allowance</b>		
Basic rate taxpayers	1,000	1,000
Higher rate taxpayers	500	500

## Income tax rates

Taxable Income £	Rate %	Dividend rate %
<b>2019/20</b>		
0 – 37,500	20	7.5
37,501 – 150,000	40	32.5
Over 150,000	45	38.1
<b>2018/19</b>		
0 – 34,500	20	7.5
34,501 – 150,000	40	32.5
Over 150,000	45	38.1

A 0% starting rate for savings income only applies to the extent that such income falls within the first £5,000 of taxable income. If taxable non-savings income exceeds the limit, the starting rate does not apply. A 0% rate applies to savings income falling within the personal savings allowance. Income taxable at the starting rate for savings does not fall within the personal savings allowance.

A 0% rate applies to dividend income within the dividend allowance.

The trust rate of income tax is 45%. The dividend trust rate is 38.1%.

**Scottish taxpayers.** The Scottish government will publish proposed Scottish rates and bands for 2019/20 on 12 December 2018. The Scottish rates and bands apply only to non-savings, non-dividend income.

**Welsh taxpayers.** For 2019/20, the Welsh rates and bands are the same as for the rest of the UK (except Scotland).

<sup>1</sup> Available for civil partners.

## National insurance contributions

### 2019/20

#### Class 1 (Earnings related)

##### Employees

###### Weekly earnings

First £166	Nil
£166.01 – £962	12%
Over £962	2%

##### Employers

###### Weekly earnings

First £166	Nil
Over £166	13.8%

Employees' rates are reduced to 5.85% for married women with valid certificates of election but the 2% rate above £962 still applies. Rates are nil for employees over state pensionable age. Normal employers' contributions are still payable. Employers' rates for employees under 21 and apprentices under 25 are nil on earnings up to £962 per week.

##### Employment allowance

(per employer) – £3,000 a year.

##### Class 1A and class 1B – 13.8%

##### Class 2 (Self-employed) – Flat rate £3.00 a week.

Small profits threshold £6,365 a year.

##### Class 3 (Voluntary contributions) – £15.00 a week.

##### Class 4 (Self-employed) – 9% of profits between £8,632 and £50,000 a year. 2% of profits above £50,000 a year.

## Inheritance tax

	2019/20	2018/19
Nil-rate band <sup>1</sup>	£325,000	£325,000
Residence nil-rate band <sup>1</sup>	£150,000	£125,000
Rate of tax on excess	40% <sup>2</sup>	40% <sup>2</sup>
Chargeable lifetime transfers	20%	20%

Annual gifts of up to £3,000 per donor are exempt.

<sup>1</sup> Unused nil rate band is transferable to spouse or civil partner.  
<sup>2</sup> 36% where 10% or more of the net estate is left to charity.

## Capital gains tax

### Annual exempt amounts 2019/20

	£
Individuals, disabled trusts, personal representatives for year of death and two years thereafter	12,000
Trusts generally	6,000

### Rates 2019/20

<i>Individuals:</i> Standard rate	10%
Higher rate	20%

Trustees and personal representatives	20%
Gains on residential property and carried interest	18%/28%
Gains to which entrepreneurs' relief applies <sup>1</sup>	10%

## Corporation tax

Financial year to	31/3/2020	31/3/2019
Rate	19%	19%

## Stamp taxes

Shares and marketable securities	0.5% <sup>2</sup>
<b>Transfers of land and buildings<sup>3</sup></b>	

### Residential (on band of consideration)<sup>4, 5, 6</sup>

£0 – £125,000	0%
£125,001 – £250,000	2%
£250,001 – £925,000	5%
£925,001 – £1,500,000	10%
Over £1,500,000	12%

### Non-residential (on band of consideration)

£0 – £150,000	0%
£150,001 – £250,000	2%
Over £250,000	5%

### Leases (Rent – on band of net present value)<sup>3</sup>

Residential	Non-residential	
£0 – £125,000	£0 – £150,000	0%
Over £125,000	£150,001 – £5,000,000	1%
N/A	Over £5,000,000	2%

### Premiums<sup>3</sup>

Duty on premiums is the same as for transfers of land.

<sup>1</sup> Subject to lifetime limit on gains of £10 million.

<sup>2</sup> Rounded up to the nearest multiple of £5. Transactions of £1,000 or less exempt.

<sup>3</sup> Transfers of land and leases in Scotland are chargeable to land and buildings transaction tax, and in Wales to land transaction tax. Different rates of tax may apply.

<sup>4</sup> Where the consideration exceeds £500,000 and the purchase is by – or by a partnership including – a company or collective investment scheme enveloping the property, the rate is 15% of the total consideration.

<sup>5</sup> Where the consideration is no more than £500,000 and the purchaser is a first-time buyer, the 0% band is increased to £300,000 (and the 5% rate applies to any consideration above £300,000). Includes qualifying shared ownership property.

<sup>6</sup> Rates are increased by 3 percentage points for certain purchases, including purchases of additional residential properties by individuals. Transactions under £40,000 are excluded.

## Car benefit

CO <sub>2</sub> emissions (2019/20) grams per km	% of list price	
	Petrol	Diesel
0-50	16	20
51-75	19	23
76-94	22	26
95-99	23	27
100-104	24	28
105-109	25	29

110-114	26	30
115-119	27	31
120-124	28	32
125-129	29	33
130-134	30	34
135-139	31	35
140-144	32	36
145-149	33	37
150-154	34	37
155-159	35	37
160-164	36	37
165 or more	37	37

The diesel rates do not apply to cars meeting the RDE2 standard.

### Car fuel benefit

For 2019/20, car fuel benefit is calculated by applying the above car benefit percentage to a figure of £24,100.

### Tax-free mileage allowances

#### Employee's own vehicle

<i>Motorcars and vans</i>	2019/20
Up to 10,000 business miles	45p
Over 10,000 business miles	25p
Each passenger making same trip	5p
<i>Motorcycles</i>	24p
<i>Cycles</i>	20p

#### Advisory fuel rates for company car from 1 September 2018

<i>Cylinder capacity</i>	<i>Petrol</i>	<i>Diesel</i>	<i>LPG</i>
0-1,400 cc	12p	-	7p
0-1,600 cc	-	10p	-
1,401 cc - 2,000 cc	15p	-	9p
1,601 cc - 2,000 cc	-	12p	-
Over 2,000 cc	22p	13p	13p

Advisory Electricity Rate for fully electric cars is 4p per mile.

### Fixed rate deductions: unincorporated businesses

#### Vehicle expenditure

<i>Motorcars and goods vehicles</i>	Amount per mile
Up to 10,000 business miles	45p
Over 10,000 business miles	25p
<i>Motorcycles</i>	24p

#### Business use of home

Hours worked per month	Amount per month
25 or more	£10
51 or more	£18
101 or more	£26

#### Private use of business premises

Number of occupants	Disallowable amount per month
1	£350
2	£500
3 or more	£650

### Individual savings accounts

Limits	2019/20	2018/19
Annual limit	£20,000	£20,000
Junior ISA annual limit	£4,368	£4,260
Lifetime ISA annual limit	£4,000	£4,000
Help to buy ISA monthly limit	£200	£200

### Investment reliefs

	Investment tax relief limit	Income tax relief rate
Enterprise investment scheme <sup>1</sup>	£1,000,000	30%
Venture capital trusts	£200,000	30%
Seed enterprise investment scheme	£100,000	50%
Social investment relief	£1,000,000	30%

### VAT

Standard rate	20%
Reduced rate	5%
Registration threshold from 1 April 2019	£85,000 pa
Deregistration limit from 1 April 2019	£83,000 pa
Annual accounting scheme turnover limit	£1,350,000 pa
Cash accounting scheme turnover limit	£1,350,000 pa
Flat rate scheme turnover limit	£150,000 pa

<sup>1</sup> Investment limit is £2,000,000 if any amount over £1,000,000 is invested in knowledge-intensive companies.

### Capital allowances

Dredging	Rate %
(straight-line basis)	
Writing-down allowance	4
Know-how	
(reducing balance basis)	
Writing-down allowance	25
Mineral extraction	
(reducing balance basis)	
Writing-down allowances	
General	25
Acquisition of mineral asset	10
Patent rights	
(reducing balance basis)	
Writing-down allowance	25

### Plant and machinery

(reducing balance basis)  
Annual investment allowance – max £200,000 pa (max £1,000,000 pa from 1/1/2019 to 31/12/2020) 100

#### First-year allowances

Energy-saving or environmentally beneficial assets	100
New cars with CO <sub>2</sub> emissions 50 g/km or less	100
New gas refuelling stations	100
New zero-emission goods vehicles	100
New assets for use in designated areas of enterprise zones (companies only)	100
New electric charge-point equipment	100

#### Writing-down allowances

General	18
Cars (other than low-emission cars)	6
Special rate expenditure (including integral features and thermal insulation)	6
Long-life assets	6

### Research and development

allowance 100

### Structures and buildings

(straight-line basis)  
Writing-down allowance 2

### Registered pension schemes

#### Individual contributions

Maximum tax-relievable contributions are the higher of:

- 100% of taxable UK earnings; or
- £3,600 (where the scheme applies tax relief at source).

#### 2019/20

Annual allowance	£40,000
Income limit	£150,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	£1,055,000

#### 2018/19

Annual allowance	£40,000
Income limit	£150,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	£1,030,000

Any unused annual allowance can be carried forward for up to three years.