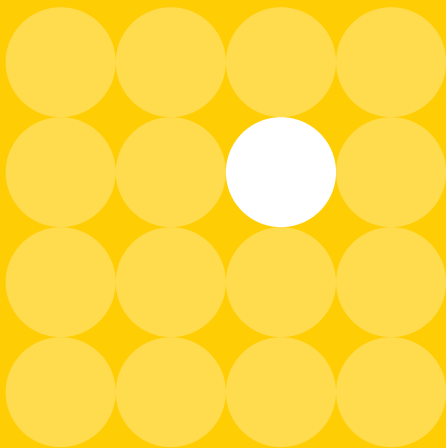


**MENZIES**  
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# TAX RATES 2017/18

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## INCOME TAX RATES

**2017/18**

**2016/17**

Band £	Rate %	Band £	Rate %
0 - 5,000	0*	0 - 5,000	0*
0 - 33,500†	20**	0 - 32,000	20**
33,501† - 150,000	40♦	32,001 - 150,000	40♦
Over 150,000	45•	Over 150,000	45•

†For Scottish taxpayers only the limit is £31,500.

\*Only applicable to savings income. The rate is not available if taxable non-savings income exceeds £5,000. £1,000 of savings income for basic rate taxpayers (£500 for higher rate) may be tax free.

\*\*Except dividends 7.5%. ♦Except dividends 32.5%. •Except dividends 38.1%.

Other income taxed first, then savings income and finally dividends. The first £5,000 of dividends are tax free.

## INCOME TAX RELIEFS

	<b>2017/18</b>	<b>2016/17</b>
Personal allowance (Reduce personal allowance by £1 for every £2 of adjusted net income over £100,000.)	£11,500**	£11,000**
**£1,150 (£1,100) may be transferable between certain spouses where neither pay tax above the basic rate.		
Married couple's allowance (relief at 10%)* (Either partner 75 or over and born before 6 April 1935.)	£8,445	£8,355
- min. amount	£3,260	£3,220
*Age allowance income limit (Reduce age allowance by £1 for every £2 of adjusted net income over £28,000 (£27,700).)	£28,000	£27,700
Blind person's allowance	£2,320	£2,290

## INHERITANCE TAX

<b>Death rate</b>	<b>Lifetime rate</b>	<b>Chargeable transfers</b>
Nil	Nil	<b>2017/18 and 2016/17</b>
40%	20%	0 - £325,000 (nil rate band)
		Over £325,000

For 2017/18, a further nil rate band of £100,000 may be available in relation to current or former residences. Nil rate bands of surviving spouses/civil partners may be increased by unused nil rate bands of deceased spouses/civil partners.

### Reliefs

Annual exemption	£3,000	Marriage - parent	£5,000
Small gifts	£250	- grandparent	£2,500
		- bride/groom	£2,500
		- other	£1,000

### Reduced charge on gifts within seven years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20

## INDIVIDUAL SAVINGS ACCOUNTS

	2017/18	2016/17
Overall investment limit	£20,000	£15,240
Junior account limit	£4,128	£4,080

## NATIONAL INSURANCE

### 2017/18 Class 1 (employed) rates

Employee		Employer**	
Earnings per week	%	Earnings per week**	%
Up to £157	Nil*	Up to £157	Nil
£157.01 - £866	12	Over £157	13.8**
Over £866	2		

\*Entitlement to contribution-based benefits retained for earnings between £113 and £157 per week.

\*\*The rate is 0% for employees under 21 and apprentices under 25 on earnings up to £866 per week.

<b>Class 1A (employers)</b>	13.8% on employee taxable benefits
<b>Class 1B (employers)</b>	13.8% on PAYE Settlement Agreements
<b>Class 2 (self-employed)</b>	flat rate per week £2.85 small profits threshold £6,025 p.a.
<b>Class 3 (voluntary)</b>	flat rate per week £14.25
<b>Class 4 (self-employed)</b>	9% on profits between £8,164 and £45,000 plus 2% on profits over £45,000

## CAPITAL GAINS TAX

	2017/18**	2016/17**
<b>Individuals</b>	£	£
Exemption	11,300	11,100
Standard rate	10%	10%
Higher rate*	20%	20%
<b>Trusts</b>		
Exemption	5,650	5,550
Rate	20%	20%

\*For higher and additional rate taxpayers.

\*\*Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.

### Entrepreneurs' Relief and Investors' Relief

The first £10m of qualifying gains are charged at 10%. Gains in excess of the limit are charged at the rates detailed above.

# CAR, VAN AND FUEL BENEFITS

2017/18

## Company cars

For diesel cars add a 3% supplement but maximum still 37%.

For cars registered before 1 January 1998 the charge is based on engine size.

The list price includes accessories and is not subject to an upper limit.

The list price is reduced for capital contributions made by the employee up to £5,000.

Special rules may apply to cars provided for disabled employees.

\*Rounding down to the nearest 5gm/km does not apply.

CO <sub>2</sub> emissions (gm/km) (round down to nearest 5gm/km)	% of car's list price taxed
0-50*	9
51-75*	13
76-94*	17
95	18
100	19
105	20
110	21
115	22
120	23
125	24
130	25
135	26
140	27
145	28
150	29
155	30
160	31
165	32
170	33
175	34
180	35
185	36
190 and above	37

## Car fuel benefit 2017/18

£22,600 x 'appropriate percentage\*\*

\*Percentage used to calculate the taxable benefit of the car for which the fuel is provided.

The charge does not apply to certain environmentally friendly cars.

The charge is proportionately reduced if provision of private fuel ceases part way through the year. The fuel benefit is reduced to nil only if the employee pays for all private fuel.

## Van benefit per vehicle 2017/18

Van benefit £3,230

Fuel benefit £610

The charges do not apply to vans if a 'restricted private use condition' is met throughout the year.

A reduced charge may be due if the van cannot in any circumstances emit CO<sub>2</sub> by being driven.

# MILEAGE ALLOWANCE PAYMENTS

2017/18 and 2016/17

## Cars and vans

## Rate per mile

Up to 10,000 miles

45p

Over 10,000 miles

25p

## Bicycles

20p

## Motorcycles

24p

These rates represent the maximum tax free mileage allowances for employees using their own vehicles for business.

Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

## STATUTORY PAY RATES

<b>Weekly benefit</b>	<b>2017/18</b>	<b>2016/17</b>
<b>Basic retirement pension</b> - single person	£122.30	£119.30
- married couple	£195.60	£190.80
<b>New state pension</b>	£159.55	£155.65
<b>Statutory pay rates</b> - average weekly earnings £113 (£112) or over		
Statutory Sick Pay	£89.35	£88.45
Statutory Maternity and - first six weeks	90% of weekly earnings	
Adoption Pay - next 33 weeks	£140.98*	£139.58*
Statutory Paternity Pay - two weeks	£140.98*	£139.58*

\*Or 90% of weekly earnings if lower.

## TAX RELIEFS FOR INDIVIDUALS

**2017/18 and 2016/17**

### **Enterprise Investment Scheme (EIS)**

Relief on investments in certain unquoted trading companies up to £1m p.a.:

- Income tax relief at 30%.
- Capital gains exemption on disposal.

Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

### **Seed Enterprise Investment Scheme (SEIS)**

Relief on investments in certain unquoted trading companies up to £100,000 p.a.:

- Income tax relief at 50%.
- Capital gains exemption on disposal.

Capital gains from the disposal of other assets may be exempt up to £50,000 p.a. by making an SEIS investment.

### **Venture Capital Trusts (VCTs)**

Relief on investments in certain quoted companies up to £200,000 p.a.:

- Income tax relief at 30%.
- Capital gains exemption on disposal.

Dividends received from VCTs may be exempt from income tax.

### **Social Investment Relief (SIR)**

Relief on investments in certain social enterprises (including charities) up to £1m p.a.:

- Income tax relief at 30%.
- Capital gains exemption on disposal.

Capital gains from the disposal of other assets may be able to be deferred by making an SIR investment up to £1m p.a.

(All reliefs subject to detailed conditions being met.)

## CORPORATION TAX

Year to 31.3.18

Year to 31.3.17

Profits band £	Rate %	Profits band £	Rate %
All profits	19	All profits	20

Different rates apply for ring-fenced (broadly oil industry) profit.

## CAPITAL ALLOWANCES

### Plant and machinery - Annual Investment Allowance (AIA)

The AIA gives a 100% write-off on most types of plant and machinery costs, including integral features and long life assets but not cars, of up to £200,000 p.a.

Any costs over the AIA fall into the normal capital allowance pools below. The AIA may need to be shared between certain businesses under common ownership.

**Other plant and machinery allowances** - The annual rate of allowance is 18%. An 8% rate applies to expenditure incurred on integral features and on long life assets.

A 100% first year allowance may be available on certain energy efficient plant and cars.

**Cars** - For expenditure incurred on cars, costs are generally allocated to one of the two plant and machinery pools. Cars with CO<sub>2</sub> emissions not exceeding 130gm/km receive an 18% allowance p.a. Cars with CO<sub>2</sub> emissions over 130gm/km receive an 8% allowance p.a. The emissions figure is reduced to 110gm/km for expenditure incurred on or after 1 April 2018.

## PENSION PREMIUMS

2017/18

Tax relief available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings (max. £40,000). Any contributions in excess of £40,000, whether personal or by the employer, may be subject to income tax on the individual. The £40,000 limit may be reduced where 'adjusted income' exceeds £150,000.

The limit may be reduced to £4,000 once money purchase pensions are accessed. Where the £40,000 limit is not fully used it may be possible to carry the unused amount forward for three years.

Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively'.

## VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%
Annual Registration Limit - from 1.4.17 (1.4.16 - 31.3.17 £83,000)	£85,000
Annual Deregistration Limit - from 1.4.17 (1.4.16 - 31.3.17 £81,000)	£83,000

## STAMP DUTY AND STAMP DUTY LAND TAX

### Land and buildings in England, Wales and N. Ireland

Rate <sup>♦</sup>	Residential <sup>♦</sup>	Non-residential	Rate
%	£	£	%
0	0 - 125,000	0 - 150,000	0
2	125,001 - 250,000	150,001 - 250,000	2
5	250,001 - 925,000	Over 250,000	5
10	925,001 - 1,500,000		
12	Over 1,500,000		

The rates apply to the portion of the total value which falls within each band.

♦Rates may be increased by 3% where further residential properties costing £40,000 or over are acquired.

SDLT is charged at 15% on interests in residential dwellings costing more than £500,000 purchased by certain non-natural persons.

**Shares and securities** - rate 0.5%.

## LAND AND BUILDINGS TRANSACTION TAX

### Land and buildings in Scotland

Rate <sup>♦</sup>	Residential <sup>♦</sup>	Non-residential	Rate
%	£	£	%
0	0 - 145,000	0 - 150,000	0
2	145,001 - 250,000	150,001 - 350,000	3
5	250,001 - 325,000	Over 350,000	4.5
10	325,001 - 750,000		
12	Over 750,000		

The rates apply to the portion of the total value which falls within each band.

♦Rates may be increased by 3% where further residential properties costing £40,000 or over are acquired.

**Disclaimer:** Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

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