

Corporation Tax

| | FY 2020 | FY 2019 |
|-----------------------|---------|---------|
| Main rate | 19% | 19% |
| Loans to participants | 32.5% | 32.5% |

VAT

| Amounts | | Rates |
|---|------------|--------------------|
| Annual registration limit (from 1 April 2020) | £85,000 | Standard rate* 20% |
| Annual deregistration limit (from 1 April 2020) | £83,000 | Reduced rate 5% |
| VAT Cash accounting scheme threshold | £1,350,000 | Zero rate 0% |
| VAT Annual accounting scheme threshold | £1,350,000 | |

* 5% for most tourism and hospitality activities from 15/7/20 to 12/1/21.

Pensions

| Contributions | 2020-21 | 2019-20 |
|---------------------------------|---------------|---------------|
| Lifetime allowance | £1,073,100 | £1,055,000 |
| Maximum annual contribution | £40,000 | £40,000 |
| Tax on excess | Marginal rate | Marginal rate |
| Normal minimum pension age | 55 | 55 |
| Money purchase annual allowance | £4,000 | £4,000 |

The annual allowance is tapered for taxpayers whose income exceeds £240,000 (2019-20: £150,000). The allowance is reduced by £1 for every £2 down to a minimum of £4,000 (2019-20: £10,000).

Car, Van & Fuel Benefits

Company cars

The annual benefit for company cars is based on a percentage of the list price. The percentage rate is dependent on the level of CO₂ emissions. For cars first registered on or after 6 April 2020, the rate is 0% for zero emission cars and electric cars with a range greater than 130 miles. There are variable rates from 1-50g/km. For emissions of 51-54g/km the rate is 13%. The rate then increases by 1% for each additional 5g/km above 55g/km up to a maximum rate of 37% reached at 170g/km. There are different rates for cars registered earlier.

There is a diesel supplement of 4% (2019-20: 4%) up to a maximum rate of 37%.

Car fuel benefit

£24,500 (2019-20: £24,100) × 'appropriate percentage'.

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

| Van benefit per vehicle | 2020-21 | 2019-20 |
|-------------------------|---------|---------|
| Van benefit | £3,490 | £3,430 |
| Fuel benefit | £666 | £655 |

Mileage Allowance Payment

| Rate per mile | 2020-21 | 2019-20 |
|----------------------------------|---------|---------|
| Cars & vans - up to 10,000 miles | 45p | 45p |
| - over 10,000 miles | 25p | 25p |
| Motorcycles | 24p | 24p |
| Bicycles | 20p | 20p |

Inheritance Tax

| | 2020-21 | 2019-20 |
|--------------------------------|----------|----------|
| Nil rate band for individuals* | £325,000 | £325,000 |
| Thereafter - lifetime gifts** | 20% | 20% |
| - lower rate on death*** | 36% | 36% |
| - on death | 40% | 40% |
| Residence nil rate band | £175,000 | £150,000 |

* Unused nil rate band can be used by surviving spouse or civil partner.

** Increased to 40%, subject to tapering relief, on gifts made between 3 and 7 years pre death. Certain lifetime gifts are exempt. Special rules for business property.

*** A lower rate applies where 10% or more of the net estate is left to charity.

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

Main exempt lifetime gifts

| | |
|---|-----------|
| Recurring annual gifts out of surplus income | unlimited |
| Annual gifts out of capital (with one year carry forward if unused) | £3,000 |
| Small gifts (per recipient) | £250 |
| Parental gift on marriage | £5,000 |
| Grandparent or party to marriage | £2,500 |
| Other gifts on marriage (per donor) | £1,000 |

Business Property Relief

| | |
|--|------|
| Shares in unquoted companies (including USM/AIM stocks) | 100% |
| Shares in quoted companies - shareholding up to 50% | none |
| - shareholding over 50% | 50% |
| Unincorporated business or interest in a business | 100% |
| Land, buildings, plant and machinery used in the deceased's business/company | 50% |

Tax Favoured Investments

| Individual Savings Account (ISA) | 2020-21 | 2019-20 |
|----------------------------------|---------|---------|
| ISA limit | £20,000 | £20,000 |
| Lifetime ISA | £4,000 | £4,000 |
| Junior ISA | £9,000 | £4,368 |

Venture Capital Trusts

Income Tax relief of up to 30% on investments up to £200,000.

Enterprise Investment Scheme

Income Tax relief of up to 30% on qualifying share subscriptions up to £1,000,000. (up to £2,000,000 for qualifying investments in knowledge-intensive companies.)

Seed Enterprise Investment Scheme

Income Tax relief of 50% on maximum £100,000 with rollover of chargeable gains.

The information in this tax card is based upon the **Spring 2020 Budget, Summer Statement 2020** and other announcements and may be subject to amendment.

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Tax Card 2020-21

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Income Tax

| Bands: England & Northern Ireland | 2020-21 | 2019-20 |
|--|--------------------|--------------------|
| Savings starting rate – 0%* | £1 – £5,000 | £1 – £5,000 |
| Basic rate – 20% | £1 – £37,500 | £1 – £37,500 |
| Higher rate – 40% | £37,501 – £150,000 | £37,501 – £150,000 |
| Additional rate – 45% | Over £150,000 | Over £150,000 |
| Bands: Scotland | 2020-21 | 2019-20 |
| Starter rate – 19%** | £1 – £2,085 | £1 – £2,049 |
| Basic rate – 20% | £2,086 – £12,658 | £2,050 – £12,444 |
| Intermediate rate – 21% | £12,659 – £30,930 | £12,445 – £30,930 |
| Higher rate – 41% | £30,931 – £150,000 | £30,931 – £150,000 |
| Additional rate – 46% | Over £150,000 | Over £150,000 |
| Bands: Wales | 2020-21 | 2019-20 |
| Savings starting rate – 0%* | £1 – £5,000 | £1 – £5,000 |
| Basic rate – 20% | £1 – £37,500 | £1 – £37,500 |
| Higher rate – 40% | £37,501 – £150,000 | £37,501 – £150,000 |
| Additional rate – 45% | Over £150,000 | Over £150,000 |

* The savings starting rate does not apply if non-savings income exceeds £5,000.

** Assumes taxpayer is in receipt of the Personal Allowance.

Income Tax in Scotland and Wales is payable on non-savings and non-dividend income.

| Dividend and savings | 2020-21 | 2019-20 |
|-----------------------------|----------------|----------------|
| Dividend allowance | £2,000 | £2,000 |
| Dividend ordinary rate | 7.5% | 7.5% |
| Dividend upper rate | 32.5% | 32.5% |
| Dividend additional rate | 38.1% | 38.1% |
| Personal savings allowance | | |
| - basic rate taxpayers | £1,000 | £1,000 |
| - higher rate taxpayers | £500 | £500 |

| Reliefs | 2020-21 | 2019-20 |
|--|----------------|----------------|
| Personal allowance | £12,500 | £12,500 |
| Registered blind person's allowance | £2,500 | £2,450 |
| Income limit for personal allowance* | £100,000 | £100,000 |
| Married couples allowance (born pre 6/4/35) at 10% | £9,075 | £8,915 |
| - Minimum amount | £3,510 | £3,450 |
| - Income limit | £30,200 | £29,600 |
| Marriage allowance** | £1,250 | £1,250 |
| Rent-a-room relief | £7,500 | £7,500 |
| High Income Child Benefit Charge*** on income over | £50,000 | £50,000 |

There is a cap on Income Tax reliefs being the greater of £50,000 or 25% of income.

* The personal allowance is withdrawn by £1 for every £2 of income over £100,000.

** A taxpayer can transfer up to £1,250 (2019-20: £1,250) of their unused personal allowance to a spouse or civil partner who is not a higher rate taxpayer.

*** A tax charge of 1% is levied for each £100 that income exceeds £50,000 to a maximum of 100%.

National Insurance

Class 1 (employed)

| Earnings limits (weekly) | Employee (primary) | Employer (secondary) |
|---|---------------------------|-----------------------------|
| Up to £183 (employees) / £169 (employers) | 0% | 0% |
| £183.01 (employees) / £169.01 (employers) to £962 | 12% | 13.8% |
| Over £962 | 2% | 13.8% |
| Over State Pension age | 0% | 13.8% |

Entitlement to contribution based benefits are retained for earnings between £120 and £183 per week.

Employers' contributions are 0% for employees under 21 and apprentices under 25 on earnings up to £962 per week.

| | |
|---------------------------|--|
| Class 1A (employers) | 13.8% on the amounts of taxable benefits |
| Class 1B (employers only) | 13.8% on PAYE settlement agreements |
| Class 2 (self-employed) | £3.05 per week (unless earnings below £6,475 pa) |
| Class 3 (voluntary) | £15.30 per week |
| Class 4 (self-employed) | 9% of profits between £9,501 and £50,000 pa plus 2% on profits above £50,000 |

A National Insurance employment allowance of £4,000 (2019-20: £3,000) is available to offset against employers' Class 1 secondary NICs. From 6 April 2020, the allowance is restricted to employers with employer NIC liabilities of under £100,000.

Capital Gains Tax

| Annual exempt amount | 2020-21 | 2019-20 |
|-----------------------------------|----------------|----------------|
| Individuals | £12,300 | £12,000 |
| Trusts | £6,150 | £6,000 |
| Rates | 2020-21 | 2019-20 |
| Standard rate taxpayers* | 10% | 10% |
| Higher rate taxpayers / Trustees* | 20% | 20% |

* There is an 8% surcharge on the sale of chargeable residential property.

Entrepreneurs' Relief lifetime limit @ 10% £1,000,000 £10,000,000**

Investors' Relief lifetime limit @ 10% £10,000,000 £10,000,000

** This relief was reduced to £1,000,000 with effect from 11 March 2020.

Capital Allowances

| | 2020-21 | 2019-20 |
|---|----------------|----------------|
| Plant and machinery | | |
| - Main writing down allowance | 18% | 18% |
| - Long life assets, integral fixtures | 6% | 6% |
| - First year allowances | 100% | 100% |
| - R&D tax credits SME Scheme | 230% | 230% |
| - R&D expenditure credit | 13% | 12% |
| - Annual Investment Allowance (AIA) 2020: £1m / 2021: £200k | £1,000,000 | £1,000,000 |
| - Structures and buildings allowance | 3% | 2% |

From April 2021, the 100% allowance is only for zero emission vehicles. The 18% rate will apply to other cars with emissions up to 50g/km and the 6% rate for all other new cars.

Stamp Duty Land Tax and regional equivalents

England and Northern Ireland: **Stamp Duty Land Tax (SDLT)**

| Rates | Residential property | Rates | Non-residential and mixed use property |
|--------------|-----------------------------|--------------|---|
| Zero | £0 – £500,000 | Zero | £0 – £150,000 |
| 5% | £500,001 – £925,000 | 2% | £150,001 – £250,000 |
| 10% | £925,001 – £1,500,000 | 5% | Over £250,000 |
| 12% | Over £1,500,000 | | |

The Zero rate band is applicable to buyers from 8/7/20 to 31/3/21. From 1 April to 5 April 2021 the previous SDLT rates apply: 0% up to £125,000, 2% from £125,001 up to £250,000 and 5% from £250,001 up to £925,000. There are special reliefs for first-time buyers.

Scotland: **Land & Buildings Transaction Tax (SLBTT)**

| Rates | Residential property | Rates | Non-residential and mixed use property |
|--------------|-----------------------------|--------------|---|
| Zero | £0 – £250,000 | Zero | £0 – £150,000 |
| 5% | £250,001 – £325,000 | 1% | £150,001 – £250,000 |
| 10% | £325,001 – £750,000 | 5% | Over £250,000 |
| 12% | Over £750,000 | | |

The Zero rate band is applicable to buyers from 15/7/20 to 31/3/21. From 1 April to 5 April 2021 the previous SLBTT rates apply: 0% up to £145,000 and 2% from £145,001 up to £250,000. First time buyers: 0% up to £175,000.

Wales: **Land Transaction Tax (WLTT)**

| Rates | Residential property | Rates | Non-residential and mixed use property |
|--------------|-----------------------------|--------------|---|
| Zero | £0 – £250,000 | Zero | £0 – £150,000 |
| 5% | £250,001 – £400,000 | 1% | £150,001 – £250,000 |
| 7.5% | £400,001 – £750,000 | 5% | £250,001 – £1,000,000 |
| 10% | £750,001 – £1,500,000 | 6% | Over £1,000,000 |
| 12% | Over £1,500,000 | | |

The Zero rate band is applicable to buyers from 27/7/20 to 31/3/21. From 1 April to 5 April 2021 the previous WLTT rates apply: 0% up to £180,000 and 3.5% from £180,001 up to £250,000.

All rates of **SDLT**, **SLBTT** and **WLTT** are applied on a graduated basis with the portion of the purchase price within each tier charged at the applicable rate.

A higher rate of **SDLT**, **SLBTT** and **WLTT** applies on most purchases of additional residential property valued at over £40,000 such as buy to let and second homes.

National Living Wage

| | 2020-21 | 2019-20 |
|----------------|----------------|----------------|
| Aged 25 & over | £8.72 p.h. | £8.21 p.h. |

National Minimum Wage

| | 2020-21 | 2019-20 |
|-----------------|----------------|----------------|
| Aged 21 to 24 | £8.20 p.h. | £7.70 p.h. |
| Aged 18 to 20 | £6.45 p.h. | £6.15 p.h. |
| Aged 16 to 17 | £4.55 p.h. | £4.35 p.h. |
| Apprentice rate | £4.15 p.h. | £3.90 p.h. |