

Tax Rates and Thresholds

Personal tax

Income tax

The Income Tax year runs from 6 April to 5 April.

Allowances

	2016-17	2017-18
Personal Allowance	£11,000	£11,500
Income limit for Personal Allowance	£100,000	£100,000

The Personal Allowance reduces where the income is above £100,000 by £1 for every £2 of income above the £100,000 limit.

Dividend Allowance	£5,000	£5,000
Personal Savings Allowance (basic rate taxpayers)	£1,000	£1,000
Personal Savings Allowance (higher rate taxpayers)	£500	£500

Rates

Starting rate for savings	0%	0%
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Dividends:		
Ordinary rate	7.5%	7.5%
Upper rate	32.5%	32.5%
Additional rate	38.1%	38.1%

Bands

Starting rate for savings	£0-£5,000	£0-£5,000
Basic rate	£0-£32,000	£0-£33,500
Higher rate	£32,001-£150,000	£33,501-£150,000
Additional rate	Over £150,000	Over £150,000

If non-savings income is above the starting rate for savings band then the 0% starting rate for savings does not apply.

Income bands are used in the following order: (1) income other than dividends, other savings income and capital gains; (2) other savings income; (3) dividends.

Approved mileage allowance payments (cars and vans)

First 10,000 miles	45p	45p
Above 10,000 miles	25p	25p

Capital Gains Tax

	2016-17	2017-18
Annual exemption	£11,100	£11,300
Standard rate - residential property	18%	18%
Standard rate - other	10%	10%
Higher rate - residential property	28%	28%
Higher rate - other	20%	20%
Entrepreneurs' relief:		
Lifetime limit	£10,000,000	£10,000,000
Flat rate	10%	10%

National Insurance

	2016-17	2017-18
Earnings limit or threshold		
Lower earnings limit (LEL)	£5,824	£5,876
Primary threshold (PT)	£8,060	£8,164
Secondary threshold (ST)	£8,112	£8,164
Upper earnings limit (UEL)	£43,000	£45,000

Rates

Class 1: employee (category A)

Below LEL	Nil	Nil
From LEL up to and including PT	0%	0%
Above PT up to and including UEL	12%	12%
Above UEL	2%	2%

Class 1: employer (category A)

Up to and including ST	0%	0%
Above ST	13.8%	13.8%
Employment Allowance	£3,000	£3,000

The Employment Allowance is not available from 2016-17 for companies where the director is the sole employee

Class 1a: employer

Most taxable employee benefits	13.8%	13.8%
--------------------------------	-------	-------

Class 2: self-employed

Small earnings exemption	£5,965	£6,025
Flat rate	£145.60	£148.20

Class 4: self-employed

Lower profits limit	£8,060	£8,164
Upper profits limit	£43,000	£45,000
Between lower and upper profits limits	9%	9%
Above upper profits limit	2%	2%

Business tax

Corporation Tax

	2016-17	2017-18
The Corporation Tax year runs from 1 April to 31 March but companies are assessed on their accounting period.		

Rates

Rate	20%	19%
------	-----	-----

Capital allowances

Annual Investment Allowance	£200,000	£200,000
Writing Down Allowance	18%	18%

Indirect tax

Value Added Tax

	2016-17	2017-18
Registration threshold	£83,000	£85,000
Flat Rate Scheme threshold	£150,000	£150,000
Reduced rate	5%	5%
Standard rate	20%	20%
Flat Rate Scheme limited cost companies		16.5%

Prepared by Rosemount Accounting Services Ltd, 6 April 2017

**Here to help small companies with all their accounting requirements
Call Graham Trimming now on 01628 529609**

Rosemount Accounting Services Ltd

Registered in England and Wales no. 7457207

Registered address: Rosemount, Juniper Lane, Wooburn Green, High Wycombe, Bucks, HP10 0DE

Office: 01628 529609; Mobile: 07903 335367

email: info@rosemountaccounting.co.uk; website: www.rosemountaccounting.co.uk