



Budget Alert – March 2010

Message from Richard Brooks
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During the last few years everyone in an International Wealth Management role has waited cautiously around UK Budget time, worried about new changes and taxes that will affect our clients and their wealth holding structures. In particular, we have seen many attempts by Gordon Brown's Government to re-classify legitimate tax planning as tax avoidance and even more interestingly tax avoidance as tax evasion. We have seen attacks on private client trust structures, employee benefit trusts, the non-UK domiciled taxpayer and over the last year against the banks, as politicians look to win votes and deflect blame away from themselves. Budget time has typically not been an enjoyable time of year for clients and their advisors.

With this Budget being the last one before a UK general election, we were optimistically hopeful it would be a quiet one and fortunately, it was. Once printed, the Budget Day press releases were modest and when stacked up, came to less than an inch high. There was the usual talk about clamping down on offshore tax evasion but this was merely a repeat of everything in the 2009 Autumn Statement. In conclusion, I have to say, I am pleased with this Budget in that it gives us all some respite for the last three years of massively complex tax changes, that have complicated everyone's financial affairs and created uncertainty.

That said, we must now face up to the fact that an election is imminent in the UK and the general calm is likely to be shattered in a few months time by a further Budget should a new UK Government be elected.

Richard Brooks
Head of Tax British Isles

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Personal allowances and income tax rates

Personal allowances

There are no changes to the personal allowances for 2010/11. However, as previously announced, the amount of the personal allowance will gradually be withdrawn for all individuals with income above £100,000. The allowance will be reduced by £1 for every £2 of income above £100,000.

Income tax rates

The basic rate of income tax will remain at 20% and will apply to income up to £37,400.

The higher rate of 40% will apply to income between £37,401 and £150,000.

The additional rate of 50% will apply to income over £150,000.

The 10% starting rate for savings will remain at £2,440.

The basic rate and higher rate of tax on dividends will remain at 10% and 32.5%, respectively.

The new additional rate on dividends will be 42.5%.

Individual Savings Accounts (ISAs)

Indexing Individual Savings Account Limits from 2011

From April 2011 and over the course of the next Parliament, the ISA limits will be increased in line with the Retail Prices Index (RPI) on an annual basis.

The ISA annual subscription limits from April 6, 2010, as announced in Budget 2009, are being increased for all savers to £10,200 of which £5,100 can be saved in cash. Indexation of the limits for the tax year 2011/12 will have effect on and after April 6, 2011 and for subsequent tax years on and after April 6 of each year.

The new annual limits will be rounded to the nearest multiple of 120 so that individuals who save monthly will be able to calculate

their monthly savings more easily. The new limits will be calculated by reference to the RPI for the September before the start of the tax year and HMRC will announce the new limits as soon as possible after the RPI figure is published, and at least four months before the start of the new tax year to which they will apply.

If the RPI is negative the ISA limits would be unchanged. As is the case now, following indexation, the cash ISA limit will be half the value of the stocks and shares ISA limit.

Pensions

Restriction of pensions tax relief

The 2009 Budget included measures to restrict the tax relief on pension contributions for employees earning £150,000 or more. The limit includes employer pension contributions where pre tax income is £130,000 or more.

Currently, employees receive full relief at their marginal rate for contributions, subject to an annual maximum of 100% of the earnings or a further cap which is £255,000 for the year ending April 5, 2011. It was announced today that this cap will remain the same until April 5, 2016.

Where an individual's income is between £150,000 and £180,000, the tax relief will be tapered from their marginal rate of tax down to the basic rate for income of £180,000 or over.

These restrictions will be introduced from April 6, 2011. Provisions are already in place restricting relief for those earning over £130,000 for the two tax years ending April 5, 2011.

Countering double tax relief avoidance

Legislation will be introduced in the Finance Bill 2010 to confirm a person may only deduct foreign tax from any foreign income where that person has included the foreign tax in his taxable income. In addition, legislation will also be introduced to reaffirm the scope of

the targeted double tax relief anti-avoidance rule.

Regulations will be made and laid to amend the Manufactured Overseas Dividend (MOD) regulations. In particular, changes will be made to the offset rules to stop financial traders effectively obtaining relief for foreign tax twice. There will be consequential amendments to certain other provisions in the regulations that could be exploited in similar ways.

Corporation Tax

Main rate

For the Financial Year commencing April 1, 2011 the main rate of Corporation Tax on profits on more than £1.5 million will remain at 28%.

The main rate of Corporation Tax for ring fence profits, in respect of profits from oil and gas production in the UK and the UK Continental Shelf, will remain at 30%.

Small profits rate

For the Financial Year commencing April 1, 2010 the small profits rate on profits below £300,000 will remain at 21%.

Where profits are above £300,000 but below £1.5 million the fraction used to calculate marginal relief will remain at 7/400.

The small profits rate on ring fence profits will remain at 19%. The fraction used to calculate marginal relief will remain at 11/400.

Capital distributions

This measure will put beyond doubt the corporation tax treatment of certain distributions received by UK companies.

The new legislation will mean that distributions will not be prevented from falling within the distribution exemption because they are capital in nature.

The Government intends to legislate this measure in a Finance Bill to be introduced as soon as possible in the next Parliament.

The legislation will have retrospective effect.

Changes in accounting standards

The International Accounting Standards Boards have issued proposals to amend the accounting standard in relation to financial instruments.

These changes will impact on the corporation tax rules on loan relationships and derivative contracts. Legislation will be introduced to amend the corporation tax rules where it is necessary as a result of a change in accounting standards for any period to which they will apply.

Capital allowances

Plant and Machinery – Increase in the amount of the annual investment allowance

As part of a package of measures to support businesses, the Government has announced that it will double the maximum amount of the Annual Investment Allowance (AIA) from the current limit of £50,000 to a new limit of £100,000.

The AIA is available to:

- Any individual carrying on a qualifying activity (this includes trades, professions, vocations, ordinary property businesses and individuals having an employment or office)
- Any partnership consisting only of individuals
- Any company (subject to certain limitations)

The AIA is effectively a 100% allowance that applies on qualifying expenditure up to the annual limit. Where businesses spend more than the annual limit, any additional expenditure attracts the normal capital allowances of 20% for general plant and machinery and 10% for “special rate” plant and machinery which are long-life assets and integral features.

The increase is proposed to take effect for expenditure incurred on or after April 1, 2010 for corporation tax purposes or April 6, 2010

for businesses within the charge to income tax.

Anti-avoidance legislation is proposed to be introduced alongside the increase to the AIA which will disallow property loss relief against general income to the extent that the loss is attributable to the AIA and will apply to arrangements entered into on or after March 24, 2010.

There are rules which determine the maximum allowance for a business which has a chargeable period that spans the operative date of the increase.

Capital Gains Tax: increase in lifetime limit on entrepreneurs' relief

Legislation is being introduced to increase the lifetime limit on gains qualifying for entrepreneurs' relief from £1 million to £2 million.

The change has effect for disposals on or after April 6, 2010.

Where individuals or trustees make qualifying gains above the previous £1 million limit before April 6, 2010, no additional relief will be allowed for the excess above £1 million. However if they make further qualifying gains after April 5, 2010, they will be able to claim relief on up to a further £1 million of those additional gains, giving relief on accumulated qualifying gains up to the new limit of £2 million.

The other rules for entrepreneurs' relief are unchanged.

Inheritance tax

Nil rate band

The Finance Act 2007 announced that the inheritance tax nil rate band would rise to £350,000 on or after April 6, 2010. However, it was announced in the 2009 pre-budget report that the threshold would be frozen at the current level of £325,000 until April 5, 2011. It was today announced that this freeze would continue for a further four years, until April 5, 2015.

Trusts and settlements

Income tax adjustments between settlors and trustees

Where a settlor has retained an interest in a trust, the income is taxed on him as if received personally. However, where the trust is discretionary, the trustees first pay tax at the maximum rate of tax and the settlor receives credit for this. The settlor has a right to reclaim any additional tax he suffers as a result back from the trustees.

In addition, where the settlor receives a repayment of tax in respect of an allowance or relief, any part of that repayment which relates to trust income must be paid to the trustees. Due to the increase in the tax rate for trustees (and certain individuals) from April 6, 2010, there are likely to be more cases (particularly for UK resident trusts) where the settlor will receive a repayment, for example where his top rate of tax is 40% and the trustees' is 50%.

Provisions announced today require the settlor to pay over to the trustees any repayment which he receives in respect of trust income. Such a payment will be ignored for inheritance tax purposes. It is not clear from the Budget note whether these provisions will apply to both UK and non resident trusts. However, it is unlikely to affect non resident trusts unless the trustees are in receipt of significant UK income.

The change will be effective from April 6, 2010.

The remittance basis

Definition of relevant person

A minor amendment has been announced to the remittance basis rules introduced by Finance Act 2008. An individual taxable on the remittance basis is taxed on remittances by "relevant persons", the definition of which includes the individual, spouse or civil partner, children and grandchildren under the age of 18, trustees and close companies and their subsidiaries of which relevant persons are participators.

As close companies are technically only those resident in the UK, the amendment confirms that non-resident companies which would be close if UK resident are also included within the definition. This amendment is effective from April 6, 2010.

Venture Capital Schemes

This measure will make the final four changes to the Enterprise Investment Scheme (EIS) and Venture Capital Trust (VCT) schemes agreed with the European Commission (EC) as a condition for their approval by the Commission as approved State aids. The legislation will be introduced in a Finance Bill in the next Parliament.

VCTs only

The current legislation requires that the shares making up a VCT's ordinary share capital should be included in the official UK list (throughout the relevant accounting period). This will be replaced with a requirement that the shares instead be admitted for trading on any EU market.

The current legislation also requires that at least 30% of the VCT's qualifying holdings are represented throughout the relevant accounting period by holdings of eligible shares (eligible shares are defined in the legislation). The new legislation will increase the eligible shares holdings requirement to 70% (with a change to the definition of eligible shares to include shares which may carry preferential rights to dividends).

EIS and VCTs

The new legislation will exclude shares from qualifying, for the purposes of the EIS or VCT legislation, if it is reasonable to assume that the company would be treated as an 'enterprise in difficulty' for the purposes of the EC's Rescue and Restructuring Guidelines.

The current legislation requires that there is a qualifying trade carried on wholly or mainly in the UK. For shares issued on or after the commencement date of the new legislation, the requirement will be that the company

issuing the shares must simply have a permanent establishment in the UK.

Enterprise Management Incentives (EMI)

This measure announced that Government intends to legislate to amend the requirement for a company granting qualifying EMI options to its employees to operate 'wholly or mainly' in the UK, or in the case of a parent company, at least one company in the group must be carrying on a qualifying trade 'wholly or mainly' in the UK.

A company granting EMI options will now be required instead to have a 'permanent establishment' in the UK. The change will have effect in respect of EMI options granted on or after the date that the legislation receives Royal Assent.

Company Share Option Plans (CSOP)

Anti-Avoidance

Under a CSOP scheme, an individual can be granted options over shares with a market value of up to £30,000 at the time of the grant. On the basis the requirements of the scheme are met, there will be no charge to income tax or National Insurance contributions on exercise of the CSOP option. HM Revenue & Customs found that arrangements were being used which had the effect of circumventing the financial limit of £30,000 in the CSOP and fell under the general description of 'geared growth'.

Legislation will therefore be introduced in Finance Bill 2010 to counter these avoidance arrangements. These provisions will have effect in relation to options granted over shares in a company which is under the control of a listed company on or after March 24, 2010. These shares will no longer be shares to which an approved CSOP scheme could apply.

Importantly, a transitional period of six months will be allowed from March 24, 2010 for companies to amend their scheme rules and bring them into line with the above changes.

Share Incentive Plans (SIP)

Anti-Avoidance

Legislation will be introduced in Finance Bill 2010 to combat the abuse of the corporation tax deduction provisions, where companies pay money to the SIP trustees to buy shares from the director / shareholders, but no real value is transferred to the employees under the SIP.

The legislation will also allow HM Revenue & Customs to close potential loopholes in the provisions by withdrawing the approval of a SIP where alterations are made to the plan which affect the value of the participants' plan shares.

The measure will have effect in relation to payments made and alterations to share capital or rights attached to shares taking place on or after March 24, 2010. Companies which make payments with the purpose of genuinely enabling their employees to obtain shares under the SIP and are not involved in avoidance will be unaffected by the change.

Security for payment of PAYE

Legislation will be introduced in Finance Bill 2010 to allow HMRC to require a financial security from employers who have a history of serious non compliance in terms of non payment or late payment of PAYE and NIC.

There will be a 12 week consultation on the regulations with the intention that if they are brought into effect the regime will take effect from April 6, 2011 and will align PAYE and NIC with the current VAT regime.

The amount of the security will be determined by HMRC and there will be a right of appeal by the taxpayer against the imposition of the security.

A new criminal offence measure will be introduced where a person required to provide a security fails to do so. Where the person is found guilty of the offence they may be fined up to £5,000.

Bank Payroll Tax (BPT)

As has already been well documented The Chancellor announced in his 2009 Pre-Budget Report a new tax directed at banker's bonuses known as the Bank Payroll Tax (BPT). This tax has already generated around £2bn which is considerably more than was expected.

Banks, UK resident investment or financial trading companies and building societies are all caught. There has been further clarification on the following:

- When relevant remuneration is treated as awarded in the chargeable period
- Detailed provisions for assessment and collection of the tax together with provision for penalties and interest
- Introduction of a 60 day rule for relevant banking employees
- The definition of a taxable company

The banks will be charged tax of 50% on all discretionary and contractual bonuses paid to "relevant banking employees" in the period December 9, 2009 to April 5, 2010. There is an exception from the tax for contractual bonus entitlements where the payer has no discretion as to the amount.

A "relevant banking employee" is a UK resident or performs his or her duties wholly or partly in the UK. An employee whose duties consist of banking employment but whose visits to the UK are less than 60 days during the year ended April 5, 2010 does not fall within the definition of a "relevant banking employee".

The tax is payable by the bank on or before August 31, 2010 and does not affect the banking employee's income tax or national insurance liabilities. The tax is not deductible for corporation tax purposes.

It was speculated that this tax would be extended after April 5, 2010 however the Chancellor has not announced as yet any plans to do so. We will have to continue to monitor the position to see how future

Governments look to raise revenues and whether the International pressures and political climate results in a new “banking tax” for the future.

Disclosure of tax avoidance schemes

Part 7 of the Finance Act 2004 and regulations (the disclosure regulations) require the promoter or user of certain tax schemes to provide information to HMRC about the scheme within set time limits. HMRC may allocate a scheme reference number to a disclosed scheme. This must be passed by promoters to clients who have entered into the scheme. Clients who are intermediaries must pass the reference number to end users of the scheme. Scheme users are required to report the use of the scheme back to HMRC.

Legislation is being introduced in Finance Bill 2010 to revise the disclosure arrangements and provide for increased penalties for failure to comply with the rules. Regulations, not dependent upon the Bill, will be put in place to revise and extend the descriptions of schemes which need to be disclosed.

The new and extended provisions will do the following:

- introduce a new “trigger point” for the disclosure of actively marketed schemes
- include a new requirement for a person who introduces a client to a notifiable scheme to provide HMRC with the name and address of the promoter who provided them with details of the scheme
- increase penalties for failure to comply with disclosure obligations
- introduce a new requirement for promoters to provide HMRC with periodic information about clients who implement a notifiable scheme

Anti-avoidance

Transactions in securities

Legislation will be introduced in Finance Bill 2010 to replace the existing transactions in securities legislation. These changes are

aimed at reducing the current complexity of the legislation and enabling the legislation to be targeted more effectively at arrangements involving tax avoidance. The new legislation will specifically counteract any income tax advantage.

The existing legislation applies when an individual enters into certain transactions in securities involving the receipt of an abnormal amount of dividend with a view to obtaining an income tax advantage. The previous legislation counteracted this income tax advantage and covered UK listed companies as well as non listed companies. The replacement legislation is targeted only at close companies including overseas companies.

The scope of the new legislation is limited to transactions with a tax avoidance purpose taking place on or after March 24, 2010 and, as noted above, will additionally apply to certain arrangements involving close companies.

This is a significant change in the scope of the legislation and a wider range of companies will be covered. However, the new income tax advantage test and a new exemption covering the fundamental changes in ownership of close companies will mean fewer individuals need to consider whether the rules apply to them.

Earnings paid through Trusts or other entities

The Government today announced that they will be taking action to prevent attempts to avoid tax and National Insurance contributions through the use of Employee Benefit Trusts and other arrangements to disguise payments of remuneration and intends to introduce anti-avoidance legislation to take effect from April 6, 2011. Unfortunately no other details are provided amongst the Press Releases and it is not clear whether there will be a consultation period or not.

Review of HMRC powers, deterrents and safeguards

Tackling offshore tax evasion

Legislation is being introduced to provide for larger penalties for taxpayers who fail to provide a full account of their income or capital gains tax liabilities where the failure is linked to an offshore matter.

It is expected that the new penalty framework will apply to tax periods commencing on or after April 1, 2011.

The mechanics of the penalty framework will stay the same but the absolute level of the percentage used to determine tax-geared penalties will be determined by the jurisdiction in which the non-compliance arises.

For a jurisdiction which has provision to exchange information on savings income automatically with the UK, the penalty percentages will be the same as at present (ie the same as for non-compliance arising in the UK). For a jurisdiction which has agreed to exchange information with the UK but does not do so automatically, the penalty percentages will be 1.5 times those at present. For a jurisdiction which has not agreed to exchange information with the UK, the penalty percentages will be double those at present.

The safeguards built into the existing penalties legislation will apply equally in the case of offshore non-compliance. The new penalty frameworks for offshore non-compliance will apply to income tax and capital gains tax.

Penalties for late filing of returns and payment of tax

The Government proposes to introduce legislation to reform the penalty regimes for late filing of tax returns and late payment of tax for the following indirect taxes:

- VAT and insurance premium tax
- Aggregates levy, climate change levy and landfill tax
- Air passenger duty, alcoholic liquor duties, tobacco products duty,

- hydrocarbon oil duties, general betting duty, pool betting duty, bingo duty, lottery duty, gaming duty and remote gaming duty
- Other excise duties

The legislation will replace the current variety of penalties and will treat late payment of tax and late filed tax returns separately. This follows on from legislation enacted in Finance Act 2009 for certain taxes including income tax, corporation tax, inheritance tax and other direct taxes. The proposed legislation creates penalty models which reflect the more frequent filing and paying obligations for these taxes and duties compared to the direct tax penalty models enacted last year.

The late filing and late payment penalty models are broadly similar and are designed to encourage filing and payment by the correct dates by introducing an escalating series of penalties depending upon the number of failures within a set penalty period.

The penalties for late filing of returns depend upon whether returns are required to be made monthly or quarterly and range from £100 for an initial failure up to £400 for each subsequent failure with additional penalties of 5% of the tax on the relevant return for prolonged failure and up to 100% of the tax on the return if the taxpayer is perceived to be deliberately withholding information to prevent HMRC from correctly assessing the tax.

The penalties for late payments of tax due either monthly or quarterly are similar and range from 1% of the unpaid tax to 5% of the unpaid tax for prolonged failures.

Implementation of the new penalties requires changes to HMRC computer systems and is to be staged over a number of years. Treasury Orders will specify the dates from which the provisions will have effect.

Stamp Duty Land Tax

Partnerships

HMRC believe that the special SDLT partnership rules currently in existence are being exploited for some land transactions by

contriving a partnership relationship between the vendor and the purchaser such that the chargeable consideration, and thus the SDLT due, is greatly reduced.

The abuse results from the special SDLT partnership rules being applied to a “notional land transaction” as detailed in the existing SDLT anti-avoidance rules. To counter this abuse, legislation will be contained in the Finance Bill to make it clear that transactions that fall within the anti-avoidance rules will not benefit from the special partnership rules for calculating chargeable consideration.

The measure will apply where a “notional land transaction” created by the anti-avoidance rules has an effective date on or after March 24, 2010. Where any scheme transaction is entered into before this date, transitional rules will ensure that the old rules will usually apply.

First time buyers

For a two year period first time buyers will pay no SDLT on the purchase of residential property of up to £250,000, which they intend to occupy as their only or main residence.

The new relief will be available for residential property purchases where the effective date (normally the completion date) is on or after March 25, 2010 and before March 25, 2012.

Rates and thresholds

To pay for the cost of the first time buyers’ relief, mentioned above, a measure will be included in the Finance Bill to add a new SDLT rate of 5% for transactions in residential property where the consideration exceeds £1 million.

The new higher rate will apply to residential purchases where the effective date is on or after April 6, 2011.

Release of loans to participators in close companies

With effect from March 24, 2010 HMRC legislation will be introduced to prevent a

close company from obtaining a corporation tax deduction for the release or write off of a loan or advance made to a relevant person who is a participator in that company or an associate of such a participator.

A participator is a person having a share or interest in the capital or income of the company and a relevant person is either an individual, or a company receiving a loan or advance in a fiduciary or representative capacity.

Notwithstanding that the company will not get a deduction, the income tax treatment remains unchanged. The person to whom the released or written off loan was made is treated as if they had received a distribution.

UK real estate investment trusts and stock dividends

The UK REIT legislation was introduced in the Finance Act 2006 and requires a UK REIT to distribute, for each accounting period, 90% of the profits from its property rental business by way of a dividend.

The distribution itself is known as a property income distribution and in the hands of the shareholder is taxed as though it was income from property.

New legislation will allow UK REITs to issue stock dividends in lieu of cash dividends to meet the 90% test. It will have effect for property income distributions made on or after the date of Royal Assent.

The recipients of stock dividends will be taxed in the same way as the recipients of property income distributions paid in cash.

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We have a number of specialist directors and senior managers dealing with taxation who would be happy to assist you. In the first instance, please contact:

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UK Tax Tables 2010/2011

Income Tax Reliefs

Principal Reliefs £

Persons under age 65

Personal allowance

6,475

Persons aged 65 to 74

Personal allowance

9,490

Persons aged 75 and over

Personal allowance

9,640

Married couple's allowance*

6,965

Married couple's allowance* - minimum amount

2,670

Income limit for age-related allowance

22,900

* relief is restricted to 10% of figure quoted

Personal allowances are abated by £1 for every £2 of income over £100,000

Other Reliefs

Blind person

1,890

Pension Contributions	
Maximum annual contribution	£
Individual – 100% of relevant earnings up to a maximum of	255,000
Employer – unlimited, but trigger benefit in kind on individual if 'total pension inputs' ^{1,2} are over	255,000
Individual's lifetime allowance ^{2,3,4}	1,800,000
¹ Total pension inputs include both individual's contributions and employer's contributions. ² Statutory formulae are used to calculate deemed pension inputs and fund value for individuals who are members of occupational schemes. ³ If an individual's fund exceeds the lifetime allowance at the time benefits are drawn, the excess will be subject to a tax charge at an effective rate of up to 55%. ⁴ There are transitional provisions that allow individuals with larger funds to protect their existing entitlements at April 6, 2010.	

Income Tax Rates

Taxable income bands	Rate (%)	Tax on band (£)
Up to £37,400	20	7,480
£37,401 to £150,000	40	45,040
Over £150,000	50	

Tax on savings income other than dividends is taxable at 10% on first £2,440, 20% from £2,441 to £37,400, 40% from £37,401 to £150,000 and 50% for taxable income above that. If an individual's taxable non savings income is above £2,440 then the 10% savings rate is not applicable. A 32.5% rate will apply on UK dividend income where taxable income is between £37,401 and £150,000 and a 42.5% rate where taxable income is above £150,000. The income tax rate for discretionary and accumulation trusts up to the first £1,000 is taxed at no more than the basic rate, thereafter, the rate is 50% for ordinary income and 42.5% for dividend income.

Corporation Tax

Full rate (profits > £1,500,000)*

28%

Small companies' rate (profits < - £300,000)

21%

* Limits are reduced proportionately for the number of associated companies.

Close investment-holding companies are liable to corporation tax at the full rate.

Marginal relief is given at 7/400 for profits between £300,001 and £1,500,000.

Inheritance Tax

Rates on cumulative transfers

First £325,000 at nil %

Excess at 40%

Exemptions

	£
Annual gifts per donor	3,000
Small gifts per donee	250
For marriage	
- parent	5,000
- grandparent	2,500
- other	1,000
Gifts to individuals and certain trusts made more than seven years before death	

Charge on gifts within seven years of death

Intervening years	0-3	3-4	4-5	5-6	6-7
% of full charge	100	80	60	40	20

Capital Gains Tax

Gains are taxed at 18% from April 6, 2009.

Annual Exemptions

	£
Individuals	10,100
Trusts	5,050

Stamp taxes

Transfers of land and buildings (consideration paid)

Rate	Residential in disadvantaged areas (Value of total consideration)	Residential outside disadvantaged areas (Value of total consideration)	Non-residential (Value of total consideration)
0%	£0 - £150,000	£0 - £125,000	£0 - £150,000
1%	£150,001 - £250,000	£125,001 - £250,000	£150,001 - £250,000
3%	£250,001 - £500,000	£250,001 - £500,000	£250,001 - £500,000
4%	Over £500,000	Over £500,000	Over £500,000

First time buyers can claim relief from SDLT on residential transactions up to £250,000 between March 25, 2010 and March 25, 2012.

New leases (lease duty)

Rate	Net Present Value (NPV) of rent		
	Residential in disadvantaged area	Residential not in disadvantaged area	Non-residential
	Slice of NPV		
0%	£0 - £125,000	£0 - £150,000	£0 - £150,000
1%	Over £125,000	Over £150,000	Over £150,000

The rate of stamp duty reserve tax on the transfer of shares and securities is unchanged at 0.5%.

Value Added Tax

Standard rate 17.5% (7/47 VAT inclusive price)

Registration limit from April 1, 2010: £70,000 of annual taxable turnover (May 1, 2009: £68,000)

The information contained herein, is believed to be accurate at the time of writing and is intended for general guidance only.

If you would like to receive a copy of our pocket size UK Tax Tables leaflet when available, kindly send an email with your name and postal address to annie.lemerrer@rbc.com.