

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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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		
5%	£500,001 - £925,000	Zero	£0 - £150,000
10%	£925,001 - £1,500,000	2%	£150,001 - £250,000
12%	Over £1,500,000	5%	Over £250,000

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.