TAX FREE MILEAGE ALLOWANCES

Cars and vans	First 10,000 business miles p.a.	45p
	Thereafter	25p
Motorcycles		24p
Bicycles		20p
Business passengers		5p

Fuel only allowance for company cars

From 1 December 2011	Petrol	Diesel*	LPG
Up to 1400cc*	15p	12p	10p
1401* – 2000cc	18p	15p	12p
Over 2000cc	26p	18p	18p

These rates may change within the tax year.
*1600cc for diesel

CAR BENEFIT IN KIND (BIK)

The taxable BIK is calculated as a percentage of the car's UK list price. The percentage depends on the car's CO_2 emissions in grams per kilometre.

Rating	Petrol	Diesel
1 – 75g/km	5%	8%
76 – 120g/km	10%	13%
121 – 129 g/km	15%	18%
Over 129g/km	add 1% for every 5g/km	
Maximum	35%	35%

Chargeable on employees earning £8,500 or over (including BIK) and directors. The list price is on the day before first registration, including most accessories and is reduced by any employee's capital contribution (max £5,000) when the car is first made available.

Vans where private use is more than home to work travel; £3,000 and £550 for private fuel. Payments by employees for private use may reduce these BIK.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the taxable benefits calculated as the car benefit percentage (above) of £18,800.

VALUE ADDED TAX

From	1.4.2011	4.1.2011
Standard rate	20%	20%
VAT fraction	1/6	1/6

Taxable turnover limits

Registration – last 12 months or next 30 days over	£73,000	£70,000
Deregistration – next year under	£71,000	£68,000
Annual Accounting Scheme	£1,350,000	£1,350,000
Cash Accounting Scheme	£1,350,000	£1,350,000
Flat Rate Scheme	£150,000	£150,000

STAMP DUTIES

Stamp duty is payable at a rate of 0.5% on transfers of shares and securities of £1,000 and over.

On the transfer of residential property		£0-£125,000*	**nil**
£125,001-£250,000**	**1%**	£250,001-£500,000	**3%**
£500,001-£1,000,000	**4%**	£1,000,001 and over	**5%**

*£150,000 in disadvantaged areas.
** First time buyers can claim relief on residential transactions up to £250,000 between 25 March 2010 and 24 March 2012.

DUE DATES FOR TAX PAYMENTS

Income Tax and Class 4 NIC		**2011/12**	**2010/11**
1st payment on account	31 January	2012	2011
2nd payment on account	31 July	2012	2011
Balancing payment	31 January	2013	2012
Capital Gains Tax	31 January	2013	2012

Inheritance Tax - **Normally six months after the end of the month in which death occurs.**

Corporation Tax

Small and medium companies - **Nine months and one day after the end of accounting period**

Large companies - **Four quarterly instalments commencing 6.5 months into the accounting period.**

Rice & Company
Harance House Rumer Hill Road
Cannock WS11 0ET

01543 503 846
enquiries@riceco.co.uk

www.riceco.co.uk

For information only. Always seek professional advice before acting.

Rice & Co
Chartered Accountants Business Advisers

TAX RATES
2011 / 2012

www.riceco.co.uk

INCOME TAX BANDS AND RATES

	2011/12	2010/11
Savings rate band	£2,560	£2,440
Savings rate	10%	10%
Basic rate band	£35,000	£37,400
Basic tax rate	20%	20%
Dividend ordinary rate	10%	10%
Higher rate band	£35,001-£150,000	£37,401-£150,000
Higher tax rate	40%	40%
Dividend higher tax rate	32.5%	32.5%
Additional rate band - over	£150,000	£150,000
Additional tax rate	50%	50%
Dividend additional tax rate	42.5%	42.5%

Allowances that reduce taxable income*

Personal allowances	(under 65)	£7,475	£6,475
	(65 to 74)	£9,940	£9,490
	(75 and over)	£10,090	£9,640
Blind person's allowance		£1,980	£1,890

Age related allowances are reduced by £1 for each £2 of income above £24,000 (2010/11 £22,900), until the minimum of £7,475 (2010/11 £6,475) is reached. The minimum personal allowance is reduced, by £1 for each £2 of income from £100,000 to £114,950.

Allowances that reduce tax*

Married couple's allowance (MCA)			
Tax reduction	(77 and over)	£729.50	£696.50

The age for MCA is of the elder spouse or civil partner. The loss of tax reduction is 10p for each £2 of income above £24,000 (2010/11 £22,900) until the minimum of £280 (2010/11 £267) is reached.

*All ages as at 5 April 2012.

INHERITANCE TAX

	2011/12	2010/11
Standard threshold	£325,000	£325,000
Combined threshold maximum for married couples and civil partners	£650,000	£650,000

Rates of tax on balance

Chargeable lifetime transfers	20%
Transfers on or within seven years of death	40%

All lifetime transfers not covered by exemptions and made within 7 years of death will be added back into the estate for the purposes of calculating the tax payable. This may then be reduced:

Years before death	0–3	3–4	4–5	5–6	6–7
Tax reduced by	0%	20%	40%	60%	80%

Main exemptions

1. Most transfers between spouses and between civil partners.
2. First £3,000 of lifetime transfers in any tax year plus any unused from the previous year.
3. Gifts up to £250 p.a. to any number of persons.
4. Gifts made out of income that form part of normal expenditure and do not reduce the standard of living.
5. Gifts in consideration of marriage/civil partnership up to £5,000 by a parent, £2,500 by grandparents, or £1,000 by any other.
6. Gifts to charities, whether made during lifetime or on death.

CAPITAL GAINS TAX

		2011/12	2010/11
Lower rate		18%	18%
Higher rate		28%	28%
Annual exemption	Individual	£10,600	£10,100
	Settlement(s)	£5,300	£5,050
Entrepreneurs' relief:	Applicable rate	10%	10%
	Lifetime limit	£10 mil.	£5 mil.*

* This increased from £2 million from 23 June 2010

NATIONAL INSURANCE

Class 1 (not contracted out)	EMPLOYER	EMPLOYEE
Lower earnings limit		£102
Payable on weekly earnings of £136.01-£139	13.8%	nil
Payable on weekly earnings of £139.01-£817	13.8%	12%
Over £817	13.8%	2%
Over state retirement age	13.8%	nil

Class 1A

On relevant benefits	13.8% nil

Class 2

Self employed	£2.50 per week
Limit of net earnings for exception	£5,315 per annum

Class 3

Voluntary	£12.60 per week

Class 4*

Self employed on profits £7,225–£42,475	9%
Above £42,475	2%

*Exemption applies if state retirement age reached by 6 April 2011

PENSION CONTRIBUTIONS

Maximum annual tax-efficient gross contributions to age		74
- Individuals	£3,600 or 100% of earnings to £50,000	
- Employers	£50,000 less employee contributions	
Minimum age for taking benefits		55
Lifetime allowance charge	– lump sum paid	55%
	– monies retained	25%
on cumulative benefits exceeding		£1,800,000*
Maximum tax-free lump sum		25%*

*Subject to transitional protection for excess amount

CORPORATION TAX

Financial Year to		31.3.2012	31.3.2011
Taxable profits	First £300,000	20%	21%
	Next £1,200,000	27.5%	29.75%
	Over £1,500,000	26%	28%

MAIN CAPITAL ALLOWANCES

Plant and machinery

Energy saving and environmentally beneficial equipment, electric and low CO_2 emission (up to 110 g/km) cars, natural gas/hydrogen refuelling equipment: first year allowance **100%**

Annual investment allowance (AIA) – on first £100,000 of investment (excludes cars and expenditure already qualifying for 100% first year allowance) **100%**

Writing down allowance – cars

111g/km – 160g/km	20%
Over 160g/km	10%

Writing down allowance (WDA) : Long-life assets, integral features of buildings, thermal insulation **10%**

WDA: Other plant and machinery 20%

Rates for 2011/2012 are applicable until 5th April 2012.

The rates and allowances are for information only. Please ask for advice. Autumn Statement 2011 version.