

# A

## Appendix A: Tables of tax rates and allowances

The current rates and allowances for income tax, corporation tax, capital gains tax, inheritance tax and other taxes are set out below.

### Personal Income Tax Rates

	2007/08 £	2006/07 £	Increase £
<b>Income tax allowances</b>			
Personal allowance	5,225	5,035	190
Personal allowance - age 65-74	7,550	7,280	270
Personal allowance - age 75 and over	7,690	7,420	270
Married couple's allowance - age 65 before 6 April 2000	6,285	6,065	220
Married couple's allowance - age 75 or more	6,365	6,135	230
Married couple's allowance - minimum amount	2,440	2,350	90
Income limit for age- related allowances	20,900	20,100	800
Blind person's allowance	1,730	1,660	70
<b>Capital gains tax annual exempt amount</b>			
Individuals, etc.	9,200	8,800	400
Inheritance tax threshold	300,000	285,000	15,000
Death rate	40%	40%	0
<b>Pension scheme allowances</b>			
Annual allowance	225,000	215,000	10,000
Lifetime allowance	1,600,000	1,500,000	100,000

### Taxable bands 2007/8

	Non-savings	Savings/CGT	Dividends
£0 - £2,230 (0 - 2,150)	10%	10%	10%
£2,231 - £34,600 (2,151 - 33,300)	22%	20%	10%
over £34,600 (over 33,300)	40%	40%	32.5%

## Corporation tax

Band	Rate (2006/7)	Marginal rate	Marginal relief fraction
0 - 300,000*	20% (19%)		
300,000 - 1,500,000*	20% (19%) - 30%	32.5%	1/40
1,500,000+*	30%		

\*reduced where associated companies exist and/or for short accounting periods.

Marginal relief formula:  $\text{Fraction} \times (M - P) \times I \div P$

## National Insurance Contributions

Item	2007/08	2006/07
Class 1:		
Lower Earnings Limit (per week)	£87	£84
Upper Earnings Limit (per week - employees only)	£670	£645
Primary (employees) Threshold (per week)	£100	£97
Secondary (employers) Threshold (per week)	£100	£97
Employee's contributions (£100-£670pw +1% over £670)	11%	11%
Employee's Contracted-out Rebate (£100-£670pw)	1.6%	1.6%
Employer's Contribution Rates (all earnings over £100pw)	12.8%	12.8%
Employer's Contracted-out Rebate		
Salary Related (£100-£670pw)	3.7%	3.5%
Money Purchase (£100-£670pw)	1.4%	1.0%
Married women's reduced rate (£100-£670 pw then +1% over £670)	4.85%	4.85%
Class 1A and 1B	12.8%	12.8%
Class 2: Self employed Contribution (per week)	£2.20	£2.10
Small Earnings Exception (per annum)	£4,635	£4,465
Class 3: (voluntary) Contribution (per week)	£7.80	£7.55
Class 4: Contributions - Upper Profits Limit	£34,840	£33,540
Contributions - Lower Profits Limit	£5,225	£5,035
Contribution Rate	8.0%	8.0%
(£5,225 - £34,840 pa then 1% over £34,840 pa)		

**Tax Credits:****Working Tax Credit**

	<u>£ per year</u>
Basic Tax Credit	1,730.00
Second adult and lone parent element	1,700.00
30 hour element	705.00
Disabled worker element	2,310.00
Severe disabled adult element	980.00
50+ return to work payment (16-29 hours)	1,185.00
(30+ hours)	1,770.00
Childcare element	<u>£ per week</u>
Maximum eligible cost for 2 or more children	300.00
Maximum eligible cost for 1 child	175.00
Max. percent of eligible costs covered	80%

**Child Tax Credit**

	<u>£ per year</u>
Family element	545.00
Family element, baby addition (first year only)	545.00
Child element (each child)	1,845.00
Disabled child element	2,440.00
Severe disabled child element	980.00

**Tapering**

	<u>£</u>
Income thresholds & withdrawal rates	
First income threshold	5,220.00
First withdrawal rate	37%
Second income threshold	50,000.00
Second withdrawal rate	6.67%
First threshold for child tax credit entitlement only (where no WTC claimed)	14,495.00
Income disregard	25,000.00

**Pension Credit**

	<u>£</u>
Standard Minimum income guarantee credit: (per week)	
Single	119.05
Couple	181.70
Capital:	
Amount disregard	6,000.00
Amount disregard - care homes	10,000.00
Deemed income:	
£1 for each complete £500 or part thereof in excess of these amounts	

## Car and Fuel Benefits in kind

CO <sub>2</sub> g/km	Taxable %		CO <sub>2</sub> g/km	Taxable %		CO <sub>2</sub> g/km	Taxable %	
	Petrol	Diesel		Petrol	Diesel		Petrol	Diesel
< 145	15	18	175 to 179	22	25	210 to 214	29	32
145 to 149	16	19	180 to 184	23	26	215 to 219	30	33
150 to 154	17	20	185 to 189	24	27	220 to 224	31	34
155 to 159	18	21	190 to 194	25	28	225 to 229	32	35
160 to 164	19	22	195 to 199	26	29	230 to 234	33	35
165 to 169	20	23	200 to 204	27	30	235 to 239	34	35
170 to 174	21	24	205 to 209	28	31	≥ 240	35	35

## Authorised private car mileage rates

Business Miles	Allowance rate per mile
0 - 10,000	40p
10,000+	25p

Excess payments over these rates are taxable. Shortfalls can be claimed as tax relief by the employee.

## VAT

	after 1 April, 2007	after 1 April, 2006
Standard Rate	17.5%	17.5%
Annual Registration Limit	£64,000	£61,000
De-registration Limit	£62,000	£59,000
VAT Fraction- standard rate	7/47	7/47
Cash Accounting Scheme		
- max. turnover to join	£660,000	£660,000
Annual Accounting Scheme		
- max. turnover to join	£1,350,000	£1,35,000
Optional Flat Rate Scheme		
- max. taxable turnover (ex VAT)	£150,000	£150,000
- max. total turnover	£187,000	£187,000

## Capital gains tax

### Capital gains tax indexation allowance for individuals for disposals after April 1998

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1982	-	-	1.047	1.006	0.992	0.987	0.986	0.985	0.987	0.977	0.967	0.971
1983	0.968	0.960	0.956	0.929	0.921	0.917	0.906	0.898	0.889	0.883	0.876	0.871
1984	0.872	0.865	0.859	0.834	0.828	0.823	0.825	0.808	0.804	0.793	0.788	0.789
1985	0.783	0.769	0.752	0.716	0.708	0.704	0.707	0.703	0.704	0.701	0.695	0.693
1986	0.689	0.683	0.681	0.665	0.662	0.663	0.667	0.662	0.654	0.652	0.638	0.632
1987	0.626	0.620	0.616	0.597	0.596	0.596	0.597	0.593	0.588	0.580	0.573	0.574
1988	0.574	0.568	0.562	0.537	0.531	0.525	0.524	0.507	0.500	0.485	0.478	0.474
1989	0.465	0.454	0.448	0.423	0.414	0.409	0.408	0.404	0.395	0.384	0.372	0.369
1990	0.361	0.353	0.339	0.300	0.288	0.283	0.282	0.269	0.258	0.248	0.251	0.252
1991	0.249	0.242	0.237	0.222	0.218	0.213	0.215	0.213	0.208	0.204	0.199	0.198
1992	0.199	0.193	0.189	0.171	0.167	0.167	0.171	0.171	0.166	0.162	0.164	0.168
1993	0.179	0.171	0.167	0.156	0.152	0.153	0.156	0.151	0.146	0.147	0.148	0.146
1994	0.151	0.144	0.141	0.128	0.124	0.124	0.129	0.124	0.121	0.120	0.119	0.114
1995	0.114	0.107	0.102	0.091	0.087	0.085	0.091	0.085	0.080	0.085	0.085	0.079
1996	0.083	0.078	0.073	0.066	0.063	0.063	0.067	0.062	0.057	0.057	0.057	0.053
1997	0.053	0.049	0.046	0.040	0.036	0.032	0.032	0.026	0.021	0.019	0.019	0.016
1998	0.019	0.014	0.011									

Note: For individuals, indexation allowance stops at April 1998 and taper relief is then applied. Only companies can continue to receive the indexation allowance for capital disposals after April 1998.

### Taper Relief: Disposals after April 1998

Number of complete tax years in holding period	% of gain taxable	
	Business assets	Non-business assets
< 1	100	100
1	50	100
2	25	100
3	25	95
4	25	90
5	25	85
6	25	80
7	25	75
8	25	70
9	25	65
10 or more	25	60

**Retail prices index (January 1987 = 100.0)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1982	-	-	79.44	81.04	81.62	81.85	81.90	81.90	81.85	82.26	82.66	82.51
1983	82.61	82.97	83.12	84.28	84.64	84.84	85.30	85.68	86.06	86.36	86.67	86.89
1984	86.84	87.20	87.48	88.64	88.97	89.20	89.10	89.94	90.11	90.67	90.95	90.87
1985	91.20	91.94	92.80	94.78	95.21	95.41	95.23	95.49	95.44	95.59	95.92	96.05
1986	96.25	96.60	96.73	97.67	97.85	97.79	97.52	97.82	98.30	98.45	99.29	99.62
1987	100.0	100.4	100.6	101.8	101.9	101.9	101.8	102.1	102.4	102.9	103.4	103.3
1988	103.3	103.7	104.1	105.8	106.2	106.6	106.7	107.9	108.4	109.5	110.0	110.3
1989	111.0	111.8	112.3	114.3	115.0	115.4	115.5	115.8	116.6	117.5	118.5	118.8
1990	119.5	120.2	121.4	125.1	126.2	126.7	126.8	128.1	129.3	130.3	130.0	129.9
1991	130.2	130.9	131.4	133.1	133.5	134.1	133.8	134.1	134.6	135.1	135.6	135.7
1992	135.6	136.3	136.7	138.8	139.3	139.3	138.8	138.9	139.4	139.9	139.7	139.2
1993	137.9	138.8	139.3	140.6	141.1	141.0	140.7	141.3	141.9	141.8	141.6	141.9
1994	141.3	142.1	142.5	144.2	144.7	144.7	144.0	144.7	145.0	145.2	145.3	146.0
1995	146.0	146.9	147.5	149.0	149.6	149.8	149.1	149.9	150.6	149.8	149.8	150.7
1996	150.2	150.9	151.5	152.6	152.9	153.0	152.4	153.1	153.8	153.8	153.9	154.4
1997	154.4	155.0	155.4	156.3	156.9	157.5	157.5	158.5	159.3	159.5	159.6	160.0
1998	159.5	160.3	160.8	162.6	163.5	163.4	163.0	163.7	164.4	164.5	164.4	164.4
1999	163.4	163.7	164.1	165.2	165.5	165.6	165.1	165.5	166.2	166.5	166.7	167.3
2000	166.6	167.5	168.4	170.1	170.7	171.1	170.5	170.5	171.7	171.6	172.1	172.2
2001	171.1	172.0	172.2	173.1	174.2	174.4	173.3	174.0	174.6	174.3	173.6	173.4
2002	173.3	173.8	174.5	175.7	176.2	176.2	175.9	176.4	177.6	177.9	178.2	178.5
2003	178.4	179.3	179.9	181.2	181.5	181.3	181.3	181.6	182.5	182.6	182.7	183.5
2004	183.1	183.8	184.6	185.7	186.5	186.8	186.8	187.4	188.1	188.6	189.0	189.9
2005	188.9	189.6	190.5	191.6	192.0	192.2	192.2	192.6	193.1	193.3	193.6	194.1
2006	193.4	194.2	195.0	196.5	197.7	198.5	198.5	199.2	200.1	200.4	201.1	202.7
2007	201.6	203.1	204.4	205.4								

**Landfill Tax & Aggregates Levy**

	£ (2006/7)
Standard rate (per tonne)	24.00 (21.00)
Lower rate (inactive waste per tonne)	2.50 (2.00)
Aggregates levy (per tonne)	1.95 (1.96)

**HMRC Interest Rates**

(from 6/9/06)	Late Payment (%)	Repayment (%)
Income tax, NIC, CGT, SDRT	7.50	3.00
Corporation tax (CTSA)	7.50	4.00
Inheritance tax	4.00	4.00
(These rates change occasionally - see the HMRC website for details)		
Average Official rate for 2006/07	5.00%	

## Personal Benefit Rates

Item	2007/08 £	2006/07 £
Basic Retirement Pension (per week):		
- Single Person (based on own NIC)	87.30	84.25
- Single Person (based on spouse's NIC)	52.30	50.15
- Non-contributory (over 80 pension)	52.30	50.15
Child Benefit (per week):		
- First Eligible Child	18.10	17.45
- Each Extra Child	12.10	11.70
- Guardian allowance	12.95	12.50
Statutory Sick Pay:		
normally receive £87 per week or more	72.55	70.05
Statutory Maternity Pay		
Average Weekly Earnings of £100 or over		
- Higher Weekly Rate (first 6 weeks)	90% of weekly earnings	
- Standard Rate (remaining 33 weeks)	112.75	108.85
Statutory Paternity Pay		
1 or 2 consecutive weeks	112.75	108.85
Job Seekers Allowance (income based):		
- Single Person (over 25)	59.15	57.45
- Married Couple (both over 18)	92.80	90.10
National Minimum Wage:		
aged 22 and over	From October 2007 - £5.52 per hour From October 2006 - £5.35 per hour	
Youth rate		
- ages 18 to 21	From October 2007 - £4.60 per hour	
- ages 16 to 17	From October 2007 - £3.40 per hour	
Child Trust Fund		
£250 for each child born after Sept. 2002 (£500 for low income families) + additional £250/£500 paid when child reaches age 7		
Incapacity Benefit		
Long term	81.35	76.45
Short term:		
- under pension age	72.55	68.20
- over pension age	81.35	76.45

These rates are selected from a complex list of benefits available based on personal circumstances and therefore are provided in basic outline only. For a full list of work and pensions related benefits see the Department of Work and Pensions website at <http://www.dwp.gov.uk> (leaflet BRA5DWP).

## Duty rates

	Duty	Change in tax for 2007 on typical item	Typical Item
<b>Cigarettes</b>	22% of retail price + £108.65 per thousand	11p	packet of 20
<b>Cigars</b>	£158.24/kg	4p	packet of 5
<b>Hand rolling tobacco</b>	£113.74/kg	11p	25g
<b>Beer</b>	13.26p/litre	1p	pint
<b>Wine</b>			
> 22%abv	£19.56/litre of pure alcohol	1p/5p	175ml/75cl bottle
15%-22%abv	£2.373/litre		
5.5%-15%abv	£1.7799/litre		
4%-5.5%abv	75.42p/litre		
1.2%-4%abv	54.84p/litre		
<b>Sparkling wine</b>			
5.5%-8.5%abv	£1.7233/litre	7p	175ml/75cl bottle
8.5%-15%abv	£2.2799/litre		
<b>Cider/Perry</b>			
<b>Still</b>			
1.2%-7.5%abv	26.48p/litre	1p	litre
7.5%-8.5%abv	39.73p/litre		
<b>Sparkling</b>			
1.2%-5.5%abv	26.48p/litre	5p	75cl bottle
5.5%-8.5%abv	£1.7233/litre		
<b>Spirits</b>	£19.56/litre of pure alcohol	no change	70cl bottle
<b>Fuel Duties (from 1 Oct. 2007):</b>			
Sulphur free petrol/diesel (SFP)		50.35p/litre	
Ultra-low sulphur petrol/diesel (ULSP)		50.35p/litre	
Bio-diesel & bioethanol		30.35p/litre	
LPG		16.49p/kg	
Other Natural gas		13.70p/kg	
Aviation gasoline		28.84p/litre	