



Lymer & Oats: 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

	2008/09 £	2007/08 £	Increase £
Income tax allowances			
Personal allowance	6,035	5,225	810
Personal allowance – age 65–74	9,030	7,550	1,480
Personal allowance – age 75 and over	9,180	7,690	1,490
Married couple’s allowance – age 65 before 6 April 2000	6,535	6,285	250
Married couple’s allowance – age 75 or more	6,625	6,365	260
Married couple’s allowance – minimum amount	2,540	2,440	100
Income limit for age- related allowances	21,800	20,900	900
Blind person’s allowance	1,800	1,730	70
Capital gains tax annual exempt amount			
Individuals, etc.	9,600	9,200	400
Capital gains tax rate	18%	10%, 20% or 40%	
Entrepreneurs’ Relief	1 million	-	
Inheritance tax threshold			
(each if couple/partner)	312,000	300,000	12,000
Inheritance tax rate	40%	40%	0
Pension scheme allowances			
Annual allowance	235,000	225,000	10,000
Lifetime allowance	1,650,000	1,600,000	50,000

Taxable bands 2008/09

	Non-savings	Savings	Dividends
£0 – £2,320 (0 – 2,230)	–*	10%*	–*
£0 (or £2,321) – £34,800 (2,151 – 34,600)	20%	20%	10%
over £34,800 (over 34,600)	40%	40%	32.5%

*10% rate on savings only available up to £2,320 of taxable income if non-savings income does not exceed this sum

National Insurance Contributions

Item	2008/09	2007/08
Class 1:		
Lower Earnings Limit (per week)	£90	£87
Upper Earnings Limit (per week – employees only)	£770	£670
Primary (employees) Threshold (per week)	£105	£100
Secondary (employers) Threshold (per week)	£105	£100
Employee’s contributions (£105–£770pw +1% over £770)	11%	11%
Employee’s Contracted-out Rebate (£105–£770pw)	1.6%	1.6%
Employer’s Contribution Rates (all earnings over £105pw)	12.8%	12.8%
Employer’s Contracted-out Rebate		
Salary Related (£105–£770pw)	3.7%	3.7%
Money Purchase (£105–£770pw)	1.4%	1.4%
Class 1A and 1B	12.8%	12.8%
Class 2: Self employed Contribution (per week)	£2.30	£2.20
Small Earnings Exception (per annum)	£4,825	£4,635
Class 3: (voluntary) Contribution (per week)	£8.10	£7.80
Class 4: Contributions – Upper Profits Limit	£40,040	£34,840
Contributions – Lower Profits Limit	£5,435	£5,225
Contribution Rate	8.0%	8.0%
(£5,435 – £40,040 pa then 1% over £40,040 pa)		

Tax Credits:

Working Tax Credit

	£ per year
Basic Tax Credit:	1,800.00
Couple and lone parent element	1,770.00
30 hour element	735.00
Disabled worker element	2,405.00
Severe disabled adult element	1,020.00
50+ return to work payment (16–29 hours)	1,235.00
(30+ hours)	1,840.00
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

	£ per year/per week
Family element	545.00/10.48
Family element, baby addition (first year only)	545.00/10.48
Child element (each child)	2,085.00/40.09
Disabled child element	2,540.00/48.84
Severe disabled child element	1,020.00/19.61

Tapering

	£
Income thresholds & withdrawal rates	
First income threshold	6,420.00
First withdrawal rate	39%
Second income threshold	50,000.00
Second withdrawal rate	6.67%
First threshold for child tax credit entitlement only (where no WTC claimed)	15,575.00
Income disregard	25,000.00

Pension Credit

	£
Standard Minimum income guarantee credit: (per week)	
Single	124.05
Couple	189.35
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 ₂ Taxable %			CO ₂ Taxable %			CO ₂ Taxable %		
g/km	Petrol	Diesel	g/km	Petrol	Diesel	g/km	Petrol	Diesel
135	15	18	170	22	25	205	29	32
140	16	19	175	23	26	210	30	33
145	17	20	180	24	27	215	31	34
150	18	21	185	25	28	220	32	35
155	19	22	190	26	29	225	33	35
160	20	23	195	27	30	230	34	35
165	21	24	200	28	31	>234	35	35

Round down to find the correct percentage.

For QUALECs where the CO₂ level is exactly 120g/km or lower – 10%

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.

Corporation tax 2008/09

Band	Rate	Marginal rate	Marginal relief fraction
0 – 300,000*	21%		
300,000 – 1,500,000*	21% – 28%	29.75%	1/400
1,500,000+*	28%		

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

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

VAT

	after 1 April 2008	after 1 April 2007
Standard Rate	17.5%	17.5%
Annual Registration Limit	£67,000	£64,000
De-registration Limit	£65,000	£62,000
VAT Fraction- standard rate	7/47	7/47
Cash Accounting Scheme		
- max. turnover to join	£1,350,000	£1,350,000
Annual Accounting Scheme		
- max. turnover to join	£1,350,000	£1,350,000
Optional Flat Rate Scheme		
- max. taxable turnover (ex VAT)	£150,000	£150,000

Landfill Tax & Aggregates Levy

	£ (2007/8)
Standard rate (per tonne)	32.00 (24.00)
Lower rate (inactive waste per tonne)	2.50 (2.50)
Aggregates levy (per tonne)	1.95 (1.95)

HMRC Interest Rates

(from 6/1/08)	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 2008/09	6.25%	

Capital gains tax (Corporations only)

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	206.2	207.3	206.1	207.3	208.0	208.9	209.7	210.9
2008	209.8	211.4	212.1	214.0	215.1							

Personal Benefit Rates

Item	2008/09 £	2007/08 £
Basic Retirement Pension (per week):		
- Single Person (based on own NIC)	90.70	87.30
- Single Person (based on spouse's NIC)	54.35	52.30
- Non-contributory (over 80 pension)	54.35	52.30
Child Benefit (per week):		
- First Eligible Child	18.80	18.10
- Each Extra Child	12.55	12.10
- Guardian allowance	13.45	12.95
Statutory Sick Pay:		
normally receive £87 per week or more	75.40	72.55
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)	117.18	112.75
Statutory Paternity/Adoption Pay	117.18	112.75
Job Seekers Allowance (income based):		
- Single Person (over 25)	60.50	59.15
- Married Couple (both over 18)	94.95	92.80
National Minimum Wage:		
aged 22 and over	From October 2008 – £5.73 per hour From October 2007 – £5.52 per hour	
Youth rate		
- ages 18 to 21	From October 2008 – £4.77 per hour	
- ages 16 to 17	From October 2008 – £3.53 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 (becomes Employment & Support Allowance Oct 08)		
Long term	84.50	81.35
Short term:		
- under pension age (higher rate)	75.40	72.55
- over pension age (higher rate)	84.50	81.35

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 2008 on typical item	Typical Item
Cigarettes	22% of retail price + £112.07 per thousand	11p	packet of 20
Cigars	£1563.22/kg	4p	packet of 5
Hand rolling tobacco	£117.32/kg	11p	25g
Beer	14.96p/litre	4p	pint
Wine			
> 22%abv	£21.35/litre of pure alcohol	3p/14p	175ml/75cl bottle
15%–22%abv	£2.5902/litre		
5.5%–15%abv	£1.9428/litre		
4%–5.5%abv	82.32p/litre		
1.2%–4%abv	59.87p/litre		
Sparkling wine			
5.5%–8.5%abv	£1.881/litre	18p	75cl bottle
8.5%–15%abv	£2.4885/litre		
Cider/Perry			
Still			
1.2%–7.5%abv	28.90p/litre	3p	litre
7.5%–8.5%abv	43.37p/litre		
Sparkling			
1.2%–5.5%abv	28.90p/litre	14p	75cl bottle
5.5%–8.5%abv	£1.881/litre		
Spirits	£21.35/litre of pure alcohol	55p	70cl bottle
Fuel Duties (from 1 Apr. 2008):			
Sulphur free petrol/diesel (SFP)		52.35p/litre	
Ultra-low sulphur petrol/diesel (ULSP)		52.35p/litre	
Bio-diesel & bioethanol		32.35p/litre	
LPG		20.77p/kg	
Other Natural gas		16.60p/kg	
Aviation gasoline		30.03p/litre	