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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

	2009/10 £	2008/09 £	Increase £
Income tax allowances			
Personal allowance	6,475	6,035	440
Personal allowance - age 65-74	9,490	9,030	460
Personal allowance - age 75 and over	9,640	9,180	460
Married couple's allowance - age 75 or more	6,965	6,625	340
Married couple's allowance - minimum amount	2,670	2,540	130
Income limit for age- related allowances	22,900	21,800	1,100
Blind person's allowance	1,890	1,800	90
Capital gains tax annual exempt amount			
Individuals, etc.	10,100	9,600	500
Capital gains tax rate	18%	18%	
Entrepreneurs' Relief	1 million	-	
Inheritance tax threshold (each if couple/partner)			
Inheritance tax threshold	325,000	312,000	13,000
Inheritance tax rate	40%	40%	0
Pension scheme allowances			
Annual allowance	245,000	235,000	10,000
Lifetime allowance	1,750,000	1,650,000	100,000

Taxable bands 2009/10

	Non-savings	Savings	Dividends
£0 – £2,440 (0 – 2,320)	–*	10%*	–*
£0 (or £2,441) – £37,400 (0/2,321 – 34,800)	20%	20%	10%
over £37,400 (over 34,800)	40%	40%	32.5%

*10% rate on savings only available up to £2,440 of taxable income if non-savings income does not exceed this sum

National Insurance Contributions

Item	2009/10	2008/09
Class 1:		
Lower Earnings Limit (per week)	£95	£90
Upper Earnings Limit (per week – employees only)	£844	£770
Upper Accrual Point	£770	NA
Primary (employees) Threshold (per week)	£110	£105
Secondary (employers) Threshold (per week)	£110	£105
Employee's contributions (£110–£844pw + 1% over £844)	11%	11%
Employee's Contracted-out Rebate (£110–£770pw)	1.6%	1.6%
Employer's Contribution Rates (all earnings over £110pw)	12.8%	12.8%
Employer's Contracted-out Rebate Salary Related (£110–£770pw)	3.7%	3.7%
Money Purchase (£110–£770pw)	1.4%	1.4%
Class 1A and 1B	12.8%	12.8%
Class 2: Self employed Contribution (per week)	£2.40	£2.30
Small Earnings Exception (per annum)	£5,075	£4,825
Class 3: (voluntary) Contribution (per week)	£12.05	£8.10
Class 4: Contributions – Upper Profits Limit	£43,875	£40,040
Contributions – Lower Profits Limit	£5,715	£5,435
Contribution Rate (£5,715 – £43,875 pa then 1% over £43,875 pa)	8.0%	8.0%

Tax Credits:

Working Tax Credit

	£ per year
Basic Tax Credit:	1,890.00
Couple and lone parent element	1,860.00
30 hour element	775.00
Disabled worker element	2,530.00
Severe disabled adult element	1,075.00
50+ return to work payment (16–29 hours)	1,300.00
(30+ hours)	1,935.00
Childcare element:	£ per week
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)	2,235/42.98
Disabled child element	2,670.00/51.34
Severe disabled child element	1,075.00/20.67

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)	16,040.00
Income disregard	25,000.00

Pension Credit

	£
Standard Minimum income guarantee credit: (per week)	
Single	130.00
Couple	198.45
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			CO ₂			CO ₂		
g/km	Taxable %		g/km	Taxable %		g/km	Taxable %	
	Petrol	Diesel		Petrol	Diesel		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% (petrol) and 13% (diesel).

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 2009/10

Band	Rate	Marginal rate	Marginal relief fraction
0 - 300,000*	21%**		
300,000 - 1,500,000*	21% - 28%	29.75%	7/400
1,500,000+*	28%		

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

** 2008 Pre-Budget announced that planned rise to 22% would be deferred until 2010-11

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

VAT

	after 1 April 2009	after 1 April 2008
Standard Rate	15%*	17.5%
Annual Registration Limit	£68,000	£67,000
De-registration Limit	£66,000	£65,000
VAT Fraction- standard rate	3/23*	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

*to return to 17.5% on 1 Jan 2010 (VAT fraction returns to 7/47)

Landfill Tax & Aggregates Levy

	£ (2009/10)
Standard rate (per tonne)	40.00 (32.00)
Lower rate (inactive waste per tonne)	2.50 (2.50)
Aggregates levy (per tonne)	2.00 (1.95)

HMRC Interest Rates

(from 24/3/09)	Late Payment (%)	Repayment (%)
Income tax, NIC, CGT, SDRT	2.50	0
Corporation tax (CTSA)	2.50	0
Inheritance tax	0	0
(These rates change occasionally – see the HMRC website for details)		
Average Official rate for 2009/10	4.75% (provisional)	

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	216.8	216.5	217.2	218.4	217.7	216.0	212.9
2009	210.1	211.4	211.3	211.5								

Personal Benefit Rates

Item	2009/10 £	2008/09 £
Basic Retirement Pension (per week):		
- Single Person (based on own NIC)	95.25	90.70
- Single Person (based on spouse's NIC)	57.05	54.35
- Non-contributory (over 80 pension)	57.05	54.35
Child Benefit (per week):		
- First Eligible Child	20.00	18.80
- Each Extra Child	13.20	12.55
- Guardian allowance	14.10	13.45
Statutory Sick Pay:		
normally receive £95 per week or more	79.15	75.40
Statutory Maternity Pay		
Average Weekly Earnings of £95 or over		
- Higher Weekly Rate (first 6 weeks)	90% of weekly earnings	
- Standard Rate (remaining 33 weeks)	123.06	117.18
Statutory Paternity/Adoption Pay	123.06	117.18
Job Seekers Allowance (income based):		
- Single Person (over 25)	64.30	60.50
- Married Couple (both over 18)	100.95	94.95
National Minimum Wage:		
aged 22 and over	From October 2009 - £5.73 per hour	
	From October 2008 - £5.73 per hour	
Youth rate		
- ages 18 to 21	From October 2009 - £4.77 per hour	
- ages 16 to 17	From October 2008 - £4.77 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		
Employment & Support Allowance (replaced Incapacity Benefit Oct 08)		
Assessment phase (first 13 weeks):		
- under 25	50.95	NA
- 25 and over	64.30	NA
Main phase		
- Work related Activity Group	up to 89.80	NA
- Support Group	up to 95.15	NA

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 Direct.gov website at <http://www.direct.gov.uk/en/MoneyTaxAndBenefits/index.htm>

Duty rates

	Duty	Change in tax from 22/23.4.09 on typical item	Typical Item
Cigarettes	24% of retail price + £114.31 per thousand	7p	packet of 20
Cigars	£173.13/kg	3p	packet of 5
Hand rolling tobacco	£124.45/kg	7p	25g
Beer	16.47p/litre	1p	pint
Wine			
15%–22%abv	£2.8533/litre	4p	75cl bottle
5.5%–15%abv	£2.1402/litre		
4%–5.5%abv	90.68p/litre		
1.2%–4%abv	65.94p/litre		
Sparkling wine			
5.5%–8.5%abv	£2.0720/litre	5p	75cl bottle
8.5%–15%abv	£2.7413/litre		
Cider/Perry			
Still			
1.2%–7.5%abv	31.83p/litre	1p	litre
7.5%–8.5%abv	47.77p/litre		
Sparkling			
1.2%–5.5%abv	31.83p/litre	5p	75cl bottle
5.5%–8.5%abv	£2.072/litre		
Spirits	£22.64/litre of pure alcohol	13p	70cl bottle
Fuel Duties (from 1 Apr. 2009)*:			
Sulphur free petrol/diesel (SFP)		54.19p/litre	
Ultra-low sulphur petrol/diesel (ULSP)		54.19p/litre	
Bio-diesel & bioethanol		34.19p/litre	
LPG		24.82p/kg	
Other Natural gas		19.26p/kg	
Aviation gasoline		33.34p/litre	
*rates are due to rise again on 1 Sept. 09			