

TAX-FREE MILEAGE ALLOWANCES

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

For national insurance purposes: 45p for all business miles for cars and vans.

■ Fuel only allowance for company cars

From 1 March 2016	Petrol	Diesel	LPG
Up to 1400cc*	10p	8p	7p
1401**–2000cc	12p	10p	8p
Over 2000cc	19p	11p	13p

These rates are issued quarterly during the tax year. *1600cc for diesel.

**1601cc for diesel. Hybrid cars are treated as either petrol or diesel cars.

VEHICLE AND FUEL BENEFITS 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 CO₂ emissions in grams per kilometre (g/km).

Emissions	Petrol	Diesel
0 – 50g/km	7%	10%
51 – 75g/km	11%	14%
76 – 94g/km	15%	18%
Over 94g/km	add 1% for every 5g/km	
200g/km* and over	37% maximum	

*Over 184g/km for diesel.

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.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage (above) to £22,200 (2015/16, £22,100).

Vans where private use is more than home to work travel; £3,170 (2015/16, £3,150) benefit and £598 (2015/16, £594) for private fuel. Payments by employees for private use may reduce these BIK. Vans with zero emissions have a benefit of £634 (2015/16, £630).

VALUE ADDED TAX

From 1 April	2016	2015
Standard rate	20%	20%
VAT fraction	1/6	1/6
Reduced rate	5%	5%
VAT fraction	1/21	1/21

■ Taxable turnover limits

From 1 April	2016	2015
Registration (last 12 months or next 30 days over)	£83,000	£82,000
Deregistration (next year under)	£81,000	£80,000
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 TAXES

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

The incremental rate of stamp duty land tax is only payable on the part of the property price within each land duty. For certain additional residential properties the rates are 3% higher.

■ Stamp duty land tax

On the transfer of residential* property		On the transfer of non-residential property	
Less than £125,000	0%	Less than £150,000	0%
£125,001 to £250,000	2%	£150,001 to £250,000	2%
£250,001 to £925,000	5%	Over £250,000	5%
£925,001 to £1,500,000	10%		
Over £1,500,000	12%		
Over £500,000	15%**		

*Including all corporate residential property, subject to certain exclusions.

**For purchases by certain non-natural persons.

■ Land and buildings transaction tax in Scotland

On the transfer of residential property		On the transfer of non-residential property	
£0 - £145,000	0%	£0 - £150,000	0%
£145,001 - £250,000	2%	£150,001 - £350,000	3%
£250,001 - £325,000	5%	Over £350,000	4.5%
£325,001 - £750,000	10%		
Over £750,000	12%		



Chartered Accountants
Business & Tax Advisers

Highland House
Mayflower Close
Chandlers Ford
Eastleigh
Hampshire
SO53 4AR

T 023 8046 1200

E admin@hwb-accountants.com

W www.hwb-accountants.com

HWB is a trading name of Hopper Williams and Bell Limited. Registered to carry on audit work in the UK and regulated for a range of investment business activities by the Institute of Chartered Accountants in England and Wales. We have a strategic alliance with a firm of Independent Financial Advisers who are authorised and regulated by the FSA. Personal and financial planning matters will be referred to them.

IMPORTANT NOTICE

These rates and allowances are based on the 2016 Budget and are for information only. They are subject to confirmation by the Finance Act 2016.

Tax Card 2016/2017



Chartered Accountants
Business & Tax Advisers

Experience the difference

TAXABLE INCOME BANDS AND TAX RATES

	2016/17	2015/16
Starting rate limit for savings	£5,000*	£5,000*
Starting rate for savings	0%	0%
Basic rate band	£32,000	£31,785
Basic rate	20%	20%
Dividend ordinary rate	7.5%	10%**
Higher rate band	£32,001 - £150,000	£31,786 - £150,000
Higher rate	40%	40%
Dividend upper rate	32.5%	32.5%**
Additional rate band	Over £150,000	Over £150,000
Additional rate	45%	45%
Dividend additional rate	38.1%	37.5%**

*The starting rate does not apply if taxable non-saving income exceeds the starting rate limit. **Effective dividend tax rates for 2015/16 are 0%, 25% and 30.6%.

■ Allowances that reduce taxable income

	2016/17	2015/16	
Personal allowance	£11,000	£10,600	
Personal allowance born before 6 April 1938	£11,000	£10,660*	
Personal savings allowance	Basic rate taxpayer	£1,000	n/a
	Higher rate taxpayer	£500	n/a
Dividend allowance	£5,000	n/a	
Married couples/civil partners transferable allowance	£1,100	£1,060	
Rent a room	£7,500	£4,250	
Blind person's allowance	£2,290	£2,290	

The personal allowance is reduced by £1 for each £2 of income from £100,000 to £122,000 (2015/16 £121,200). *For 2015/16 the higher personal allowance is reduced by £1 for each £2 of income above £27,700 until £10,600 is reached.

■ Allowances that reduce tax

	2016/17	2015/16
Married couple's allowance (MCA) tax reduction	£835.50	£835.50

Available to people born before 6 April 1935. The age for MCA is that of the elder spouse or civil partner. The loss of tax reduction is 10p for each £2 of income above £27,700 (2015/16, £27,700) until £322 (2015/16, £322) is reached.

■ High income child benefit charge

	2016/17	2015/16
Threshold	£50,000	£50,000

There is a tax charge of 1% of the child benefit received for each £100 that the threshold is exceeded up to a maximum of 100%.

INHERITANCE TAX

	2016/17	2015/16
Single person's threshold	£325,000	£325,000
Combined threshold limit for married couples and civil partners	£650,000	£650,000

■ Tax rates

	2016/17	2015/16
Main rate	40%	40%
Chargeable on lifetime transfers	20%	20%
Transfers on or within 7 years of death*	40%	40%
Reduced rate**	36%	36%

*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 as follows:

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

** Applies if 10% or more of net estate given to charity. Contact us about exemptions.

CAPITAL GAINS TAX

		2016/17	2015/16
Main rates	Individual basic rate band	10%	18%
	Individual higher rate band	20%	28%
Gains on residential property not eligible for PPR and carried interest	Individual basic rate band	18%	18%
	Individual higher rate band	28%	28%
Trusts	Main rate	20%	28%
	Residential property	28%	28%
Annual exemption	Individuals	£11,100	£11,100
	Trusts	£5,550	£5,550
Entrepreneurs' relief	Applicable rate	10%	10%
	Lifetime limit	£10m	£10m

NATIONAL INSURANCE

■ Class 1 (not contracted out)

Employee	Employer		
Earnings per week			
Up to £155	nil*	Up to £156	0%
From £155.01 to £827	12%	Over £156	13.8%**
Over £827	2%		
Over state pension age	0%	Over state pension age	13.8%

*Entitlement to contribution based benefits are retained for earnings between £112 and £155 per week. **0% for employees under 21 and apprentices under 25 on earnings up to £827 per week.

■ Class 1A

On relevant benefits	13.8%
----------------------	-------

■ Class 2

Self-employed	£2.80 per week
Small profits threshold	£5,965 per annum

■ Class 3

Voluntary	£14.10 per week
-----------	-----------------

■ Class 4*

Self-employed on profits £8,060-£43,000	9%
Over £43,000	2%

* Exemption applies if the state retirement age is reached by 6 April 2016.

■ Employment allowance

Per employer, per year (excluding 1 person companies)	£3,000*
---	---------

*1 claim only for companies in a group or under common control.

PENSION CONTRIBUTIONS

Individuals	£3,600 or 100% of net relevant earnings to £40,000*
Employers	£40,000* less employee contributions
Minimum age for accessing benefits	55
Lifetime allowance charge on cumulative benefits exceeding	£1,000,000

* Plus unutilised allowances from the 3 previous years. Limit may be reduced to £10,000 once money purchase pensions are accessed.

CORPORATION TAX

Financial year to 31 March	2017	2016	
Taxable profits	Main rate	20%	20%

MAIN CAPITAL ALLOWANCES

■ Initial allowances

First year allowance: for certain environmentally beneficial equipment, electric and low CO ₂ emission (up to 75g/km) cars – must be new and unused	100%
Annual investment allowance: on first £200,000 (excludes cars)	100%

■ Writing down allowances

Other plant and machinery	18%	
Long-life assets, integral features of buildings, thermal insulation	8%	
Cars	76g/km – 130g/km	18%
	Over 130g/km	8%

INVESTMENT RELIEFS

Enterprise investment scheme	Limit	£1,000,000
	Relief rate	30%
Venture capital trust	Limit	£200,000
	Relief rate	30%
Seed enterprise investment scheme	Limit	£100,000
	Relief rate	50%

ISA AND JUNIOR ISA

Annual investment limit	2016/17	2015/16
ISA	£15,240	£15,240
Junior ISA	£4,080	£4,080