

Tax Rates for 2015/16

Following the Chancellor's announcement on 18th March 2015

	For 2014/15 The following rates etc applied (E & OE)				For 2015/16 The following rates etc are expected to apply (E & OE)			
	Band	From	to	Rate	Band	From	to	Rate
Income Tax (On Taxable Income)	Starting rate for savings*	£ 0	£ 2,880	10%	Starting rate for savings*	£ 0	£ 5,000	0%
	Basic Rate	£ 0	£ 31,865	20%	Basic Rate	£ 0	£ 31,785	20%
	Higher Rate	£ 31,866	£ 150,000	40%	Higher Rate	£ 31,786	£ 150,000	40%
	Additional Rate	£ 150,001		45%	Additional Rate	£ 150,001		45%
	*If your non-savings income is above this limit then the 0 per cent starting rate for savings will not apply							
	In addition to the ordinary rate for dividends there is the 32.5 per cent higher rate and 37.5 per cent additional rate.							
Capital Gains Tax (for individuals)	First	£ 11,000		exempt	First	£ 11,100		exempt
	18% for standard rate tax payers, 28% for higher rate payers, (10% if Entrepreneurs' Relief applies)				18% for standard rate tax payers, 28% for higher rate payers, (10% if Entrepreneurs' Relief applies)			
Corporation Tax	Band	From	to	Rate	Band	From	to	Rate
	Small Companies Rate	£ 1	£ 300,000	20%	Small Companies Rate	£ 1	£ 300,000	20%
	Marginal Relief	£ 300,001	£ 1,500,000	21.25%	Marginal Relief	£ 300,001	£ 1,500,000	20%
	Main Rate	£ 1,500,000		21%	Main Rate	£ 1,500,000		20%
Inheritance Tax (on death)	Band	From	to	Rate	Band	From	to	Rate
	Nil rate band	£ 0	£325,000	0%	Nil rate band	£ 0	£325,000	0%
	Over nil rate band	£ 325,000		40%	Over nil rate band	£ 325,000		40%
Personal Allowances	Personal** (For people born after 5/4/48)	£ 10,000			Personal** (For people born after 5/4/48)	£ 10,600		
	Personal (born between 6/4/38 & 6/4/48)	£ 10,500			Personal (born between 6/4/38 & 6/4/48)	£ 10,600		
	Personal (For people born before 6/4/38)	£ 10,660			Personal (For people born before 6/4/38)	£ 10,660		
	Married Couples (born before 6/4/35)*#	£ 8,165			Married Couples (born before 6/4/35)*#	£ 8,355		
	**The Personal Allowance reduces where the income is above £100,000 - by £1 for every £2 of income above the £100,000 limit. From 6/4/15 if some of the Personal Allowance is unused, up to £1,060 of it can be transferred between spouses/civil partners, provided the recipient is not a higher rate taxpayer.							
	All age allowances are only available for incomes up to £27,000 for 2014/15 and £27,700 for 2015/16 * = relief restricted to 10%, # = husband or wife or civil partner must be born before 6th April 1935							
National Insurance	Employee (not contracted out)				Employee (not contracted out)			
Class 1 (Employment)	Earnings per week:				Earnings per week:			
	Up to £153	Nil			Up to £156	Nil		
	£153-£805	12%			£156-£815	12%		
	Over £805	2%			Over £815	2%		
	Employer (not contracted out):				Employer (not contracted out):			
	Up to £153	Nil			Up to £156	Nil		
	Over £153	13.8%			Over £156	13.8%		
Class 2 (Self Employment)	(The old weekly stamp)	£ 2.75			(The old weekly stamp)	£ 2.80		
	No contributions due if profits below	£5,885			No contributions due if profits below	£5,965		
Class 4 (Self Employment)	9% on profits between	£ 7,956	and	£ 41,865	9% on profits between	£ 8,060	and	£ 42,385
	2% on profits over	£ 41,865			2% on profits over	£ 42,385		
State Pension			per week	per year			per week	per year
	Single		£ 113.10	£ 5,881.20	Single		£ 115.95	£ 6,029.40
	Married		£ 180.90	£ 9,406.80	Married		£ 185.45	£ 9,643.40
	Age Addition (over 80)		£ 0.25	£ 13.00	Age Addition (over 80)		£ 0.25	£ 13.00
VAT	Threshold with effect from 1st April	£ 81,000			Threshold with effect from 1st April	£ 82,000		
	Rate	20.0%			Rate	20.0%		
	Annual Accounting Threshold	£ 1,350,000			Annual Accounting Threshold	£ 1,350,000		
	Cash Accounting Threshold	£ 1,350,000			Cash Accounting Threshold	£ 1,350,000		
Stamp Duty On house purchase not in a disadvantaged area	From/to	£ 0	£125,000	Nil	From/to	£ 0	£125,000	Nil
	From/to	£ 125,001	£ 250,000	1%	Between	£ 125,001	£ 250,000	2%
	From/to	£ 250,001	£ 500,000	3%	Between	£ 250,001	£ 925,000	5%
	From/to	£ 500,001	£ 1,000,000	4%	Between	£ 925,001	£ 1,500,000	10%
	From/to	£ 1,000,001	£ 2,000,000	5%	Over	£ 1,500,001		12%
	over	£ 2,000,000		7%				
Taxable Car Benefits	Car Benefit				Car Benefit			
	The scale charge is based on CO2 emissions. The Annual Charge ranges from 5% for eco-friendly cars to 35% for Gas Guzzlers. There is no adjustment for age of car, nor for business mileage driven. Alternative rates apply to cars registered before 1.1.1998. Diesels attract a 3% surcharge but not over 35%. Electric cars & vans have 0% benefit charge.				The scale charge is based on CO2 emissions. The Annual Charge ranges from 13% for eco-friendly cars to 37% for Gas Guzzlers. There is no adjustment for age of car, nor for business mileage driven. Alternative rates apply to cars registered before 1.1.1998. Diesels attract a 3% surcharge but not over 37%.			
	Fuel Benefit				Fuel Benefit			
	As with Car Benefit, the taxable charge is based on CO2 emissions. Ask us for the figure applicable to your car. The charge is based on a sum of £21,700 for all cars, not on the price of the car.				As with Car Benefit, the taxable charge is based on CO2 emissions. Ask us for the figure applicable to your car. The charge is based on a sum of £22,100 for all cars, not on the price of the car.			
	Van Benefit				Van Benefit			
	Van scale charge	Any age of vehicle		£ 3,090	Van scale charge	Any age of vehicle		£ 3,150
	Fuel scale charge for vans			£ 581	Fuel scale charge for vans			£ 594
Car Mileage Allowance		All Engine Sizes				All Engine Sizes		
	Up to 10,000 miles pa			45p	Up to 10,000 miles pa			45p
	Over 10,000 miles pa			25p	Over 10,000 miles pa			25p
Don't forget to claim Child Tax Credit, Working Tax Credit and Pension Tax Credit as appropriate								
53 Valley Road, Plympton, Devon, PL7 1RF (Phone 01752 334950 Fax 01752 334951) . Email: mail@hmwilliams.co.uk								

Extracts from George Osborne's 2015 Budget Speech

Introduction Welcome to the first budget newsletter following Hugh's retirement. Personally I was expecting a bland budget, with the election looming over us, but hopefully the next few paragraphs will show you how wrong I was.

Opening line "Mr Deputy Speaker, Today, I report on a Britain that is growing, creating jobs and paying its way". So lets see.

The Economy According to the Office for Budget Responsibility (OBR) growth in 2015 is expected to be 2.5%, up from the 2.4% predicted in December. The economy will expand by 2.3% for the next three years after that, then 2.4% in 2019. The Government will increase the number of long-term gilts to be sold, to "lock in" low borrowing rates. Many historic debts will be paid off, but "Gordon Brown's will take a little longer". There is record employment in the UK, with the jobless rate to fall to 5.3% this year. Britain's manufacturing output has grown more than 4 ½ times faster than in the entire decade before the crisis.

Business There was confirmation that the National Minimum wage will increase to £6.70 per hour from the autumn. Farmers will benefit from the allowance to average their profits over five years, rather than the current two. Annual paper tax returns will be abolished for certain individuals, being replaced by digital tax accounts. New Enterprise Zones created, to include South Yard in Plymouth. The Government has announced a consultation on tax relief for local newspapers.

Duties The Fuel Duty rise planned for September will not take place, meaning that by the end of 2015-16 duty will have been frozen for five years. There will be another penny off a pint, with a 2p cut for whisky, spirits and some ciders and a freeze on wine duty. There were no changes to duties on gaming or tobacco.

Savings and Pensions The pensions lifetime allowance will be cut from £1.25m to £1m from April 2016, affecting less than 4% of people. Up to five million pensioners will be given the freedom to sell their annuity for a cash lump sum. Savers will not have to pay any tax on the first £1,000 of interest, or £500 for higher-rate taxpayers. The Government are introducing a Help to Buy ISA for first time buyers, where every £200 saved leads to a Government top up of £50, up to £3,000. ISAs are being reformed so that people can take out money and put it back in without losing their tax benefits. Annual savings limit for ISAs increased to £15,240.

Tax The personal tax free allowance will rise to £10,800 in 2016/17 and £11,000 the year after. The higher rate (40%) threshold will rise above inflation from £42,385 to £43,300. Osborne has said he wants to eventually raise the tax free allowance to £12,500 and 40p rate to £50,000. The transferable tax allowance for married couples will rise to £1,100. Class 2 National Insurance to be abolished. The Government are to conduct a review on IHT avoidance through the use of deeds of variation.

The Chancellors final comments "The share of national income taken up by debt – falling. The deficit down. Growth up. Jobs up. Living standards on the rise. Britain on the rise. This is the Budget for Britain. The Comeback Country".