

ANNUAL TAX ON ENVELOPED DWELLINGS

An annual tax on enveloped dwellings is payable by a company (or similar entity) owning a residential property with a value more than **£500,000** (£500,000) on 1 April 2017 (or date of acquisition, if later). Tax is charged in bands, from a minimum of **£3,650** (£3,600) to a maximum of **£232,350** (£226,950).

STAMP DUTIES AND PROPERTY TRANSACTION TAXES

ENGLAND AND WALES: STAMP DUTY LAND TAX (a)

Non-residential land and buildings - rates applied cumulatively

	2019/20	2018/19
£0-£150,000	0%	(0%)
£150,001-£250,000	2%	(2%)
Over £250,000	5%	5%

Residential land and buildings (b)(c)(d) - rates applied cumulatively

	2019/20	2018/19
£0-£125,000	0%	0%
£125,001-£250,000	2%	2%
£250,001-£925,000	5%	5%
£925,001-£1,500,000	10%	10%
Over £1,500,000	12%	12%

(a) All figures are calculated inclusive of any VAT. For leases, the rate is based on the discounted rental values.

(b) Where residential property over **£500,000** is purchased by a company (or similar entity) a 15% rate applies.

(c) A 3% surcharge applies to all second and additional residential properties on transactions of **£40,000** or more.

(d) From 22 November 2017 first time buyers, including qualifying shared ownership (backdated from Budget 2018), paying **£300,000** or less for a residential property pay no stamp duty land tax. For purchases between **£300,000** and **£500,000** stamp duty land tax is payable at 5% on the excess over **£300,000**.

SCOTLAND: LAND AND BUILDINGS TRANSACTION TAX

Land and buildings transaction tax applies in Scotland instead of stamp duty land tax, with different rates and bands.

WALES: LAND TRANSACTION TAX

From 1 April 2018 land transaction tax replaced stamp duty land tax in Wales, with different rates and bands.

OTHER STAMP DUTY 2019/20

Stamp duty - shares and securities	0.5%
Stamp duty reserve tax	0.5%/1.5%

Stamp duty, and stamp duty reserve tax, is not charged on recognised growth markets, including AIM and ISDX.

AIR PASSENGER DUTY

RATES PER PASSENGER FROM 1 APRIL 2019 (a) (b)	LOWEST CLASS OF TRAVEL	OTHER CLASSES OF TRAVEL	HIGHER RATE (c)
Band A (0-2,000 miles from London)	£13 (£13)	£26 (£26)	£78 (£78)
Band B (over 2,000 miles from London)	£78 (£78)	£172 (£156)	£515 (£468)

(a) Flights from airports in the Scottish Highlands and Islands, and long haul flights from airports in Northern Ireland are exempt.

(b) Air passenger duty is not charged for the lowest class of travel for children aged 16 and under at time of flight.

(c) Aircraft over 20 tonnes and seating fewer than 19 passengers.

2019 CALENDAR

	JANUARY	FEBRUARY	MARCH
MON	7 14 21 28	4 11 18 25	4 11 18 25
TUES	1 8 15 22 29	5 12 19 26	5 12 19 26
WED	2 9 16 23 30	6 13 20 27	6 13 20 27
THUR	3 10 17 24 31	7 14 21 28	7 14 21 28
FRI	4 11 18 25	1 8 15 22	1 8 15 22 29
SAT	5 12 19 26	2 9 16 23	2 9 16 23 30
SUN	6 13 20 27	3 10 17 24	3 10 17 24 31

	APRIL	MAY	JUNE
MON	1 8 15 22 29	6 13 20 27	3 10 17 24
TUES	2 9 16 23 30	7 14 21 28	4 11 18 25
WED	3 10 17 24	1 8 15 22 29	5 12 19 26
THUR	4 11 18 25	2 9 16 23 30	6 13 20 27
FRI	5 12 19 26	3 10 17 24 31	7 14 21 28
SAT	6 13 20 27	4 11 18 25	1 8 15 22 29
SUN	7 14 21 28	5 12 19 26	2 9 16 23 30

	JULY	AUGUST	SEPTEMBER
MON	1 8 15 22 29	5 12 19 26	2 9 16 23 30
TUES	2 9 16 23 30	6 13 20 27	3 10 17 24
WED	3 10 17 24 31	7 14 21 28	4 11 18 25
THUR	4 11 18 25	1 8 15 22 29	5 12 19 26
FRI	5 12 19 26	2 9 16 23 30	6 13 20 27
SAT	6 13 20 27	3 10 17 24 31	7 14 21 28
SUN	7 14 21 28	4 11 18 25	1 8 15 22 29

	OCTOBER	NOVEMBER	DECEMBER
MON	7 14 21 28	4 11 18 25	2 9 16 23 30
TUES	1 8 15 22 29	5 12 19 26	3 10 17 24 31
WED	2 9 16 23 30	6 13 20 27	4 11 18 25
THUR	3 10 17 24 31	7 14 21 28	5 12 19 26
FRI	4 11 18 25	1 8 15 22 29	6 13 20 27
SAT	5 12 19 26	2 9 16 23 30	7 14 21 28
SUN	6 13 20 27	3 10 17 24	1 8 15 22 29



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TAX FOCUS 2019/20

INCOME TAX			
Bands – main rates (a)			
2019/20	2018/19	2019/20	2018/19
£1-37,500	(£1-£34,500)	20%	(20%)
£37,501-£150,000	(£34,501-£150,000)	40%	(40%)
Over £150,000	(over £150,000)	45%	(45%)

The first £2,000 (£2,000) of dividends is taxed at 0% (0%), and this amount is taken into account in determining the income tax band. Dividends above £2,000 (£2,000) are taxed at 7.5% (7.5%), 32.5% (32.5%) or 38.1% (38.1%) as the top slice of total income.

The personal savings allowance exempts interest income of £1,000 (£1,000) for basic rate taxpayers (20%) and £500 (£500) for higher rate taxpayers (40%) only, it is not available to additional rate taxpayers (45%).

In addition to the personal savings allowance, other non-dividend savings income (typically bank and building society interest) is taxed at 0% (0%) up to £5,000 (£5,000). This 0% rate is not available if income from other sources, including dividends, exceeds £5,000 (£5,000).

There are special rules for trusts, and also for individuals with income assessable on the remittance basis. An additional tax charge applies to clawback child benefit where one income in a household exceeds £50,000, with full clawback by £60,000.

(a) For the purposes of income tax in Scotland, there are slight differences in the rates and bands for non-savings income, otherwise rates and allowances apply equally. The 2019/20 rates will be announced in the Scottish Budget to be held on 12 December 2018.

PERSONAL ALLOWANCES

	2019/20	2018/19
Personal allowance (a)	£12,500	£11,850
Income limit for personal allowance (b)	£100,000	£100,000
Blind person's allowance	£2,450	£2,390
Married couple's allowance (c)	£8,915	£8,695
Marriage allowance (d)	£1,250	£1,190
Trading income allowance (e) (f)	£1,000	£1,000
Property income allowance (f)	£1,000	£1,000

(a) The personal allowance applies to all individuals.

(b) The personal allowance is reduced by £1 for each £2 by which income exceeds £100,000.

(c) Relief is limited to 10%, and extends to civil partnerships. At least one spouse/partner must have been born before 6 April 1935. The allowance is reduced where income exceeds £29,600 (£28,900), subject to an absolute minimum of £3,450 (£3,360).

(d) A non taxpayer can transfer up to £1,250 (£1,190) of the personal allowance to a spouse or civil partner who is a basic rate taxpayer. Relief is given at 20%.

(e) The trading income allowance applies to certain miscellaneous income from providing assets or services in the course of a trade.

(f) Trading or property income (before expenses) within these allowances is exempt. Individuals with gross trading or property income above the allowance can choose between deducting £1,000 or actual allowable expenditure.

Company cars – annual benefits

The annual benefit is a percentage of list price, with the percentage dependent on the level of CO2 emissions. The benefit is 16% (13%) for emissions of 0-50g/km, and 19% (16%) for 51-75g/km. For emissions of 76-94g/km, the rate is 22% (19%) and increases by 1% at 95g/km, and then for each additional full 5g/km up to a maximum charge of 37% for emissions of 165g/km (180g/km) or more. Emission levels are rounded down to the nearest multiple of five. List price includes certain accessories, but is reduced for capital contributions of up to £5,000.

There is a diesel supplement of 4%, subject to the maximum charge of 37%. The taxable benefit for significant private use of vans is £3,350 (£3,350).

Where fuel is provided for private use in a company car, the taxable benefit percentage is applied to £23,400 (£23,400). The benefit for fuel provided for a van with significant private use is £633 (£633).

Cap on income tax reliefs

Certain income tax reliefs are capped at the greater of £50,000 or 25% of income. This excludes charitable donations.

PENSIONS

	2019/20	2018/19
Lifetime allowance (a)	£1,055,000	£1,030,000
Equivalent to defined benefit pension	£52,750 pa	£51,500 pa
Maximum contribution annual allowance (b)	£40,000	£40,000
Tax on excess	Marginal rate	Marginal rate
Normal minimum pension age	55	55

(a) Special rules apply to individuals with benefits exceeding the lifetime allowance, or any previous protected amount. Excess over this amount may be subject to a 25% charge plus income tax on balances drawn, or 55% for lump sum benefits.

(b) There is a reduction in the annual allowance by £1 for every £2 of adjusted income in excess of £150,000, up to a limit of £210,000.

An income tax exemption and NICs disregard covers the first £500 worth of pension advice provided to an employee in a tax year.

TAX EFFICIENT INVESTMENTS

	2019/20	2018/19
ISA limit (a)	£20,000	£20,000
Junior ISA limit (b)	£4,368	£4,260

(a) Investment can be in cash, shares, or peer to peer lending platforms.

(b) Investment can only be in cash or shares.

Help to Buy ISA: for first time buyers. Maximum deposits of £200 per month, plus an initial deposit of up to £1,000.

Venture Capital Trusts (VCTs): income tax relief at up to 30% on investment up to £200,000, with capital gains tax reliefs.

Enterprise Investment Scheme (EIS): income tax relief at up to 30% on qualifying share subscriptions up to £1m (£2m if the excess over £1m is invested in knowledge-intensive companies), with capital gains tax reliefs.

Seed Enterprise Investment Scheme (SEIS): income tax relief of 50% on investment up to £100,000, with capital gains tax reliefs.

Social Investment Tax Relief (SITR): income tax relief of 30% on investment up to £1m (£1m) with capital gains tax reliefs.

Lifetime ISAs: available to adults under the age of 40, who can contribute up to £4,000 per year. Contributions made before the age of 50 qualify for a 25% bonus from the Government. Funds from Lifetime ISAs can be used to buy a first home at any time from 12 months after the account opening or can be withdrawn from age 60.

VALUE ADDED TAX

Registration threshold: taxable supplies at the end of any month exceed £85,000 (£85,000) either in the past 12 months or the next 30 days.

Standard rate	20%
Lower rate	5%
Zero rate	0%

INSURANCE PREMIUM TAX

Standard rate	12%
Higher rate	20%

INHERITANCE TAX

	2019/20	2018/19
Up to £325,000 (£325,000) ("nil rate band")	0%	0%
Over £325,000 (£325,000) (frozen to 2020/21)	40%	40%

An additional nil rate band of £150,000 (£125,000) is available when a main residence is passed on death to a direct descendant. If the net value of the estate exceeds £2m, this additional nil rate band will be reduced by £1 for each £2 by which the net value exceeds that amount.

A surviving spouse or civil partner may claim the unused proportion of an earlier deceased spouse's, or civil partner's, nil rate band and additional nil rate band, up to the current nil rate band/additional nil rate band. A reduced rate of 36% (36%) applies when 10% or more of a net estate is left to charity. Reduced charges apply on lifetime gifts within seven years of death (which are not covered by the nil rate band).

CAPITAL GAINS TAX

	2019/20	2018/19
Basic rate taxpayers (a)	10%	10%
Trustees and 40%/45% (40%/45%) taxpayers (a)	20%	20%
Annual exempt amount – individuals	£12,000	£11,700
Annual exempt amount – trusts	£6,000	£5,850
Entrepreneurs' relief lifetime limit	£10m	£10m
Entrepreneurs' relief rate	10%	10%

(a) Gains on residential properties not qualifying for principal private residence relief, and on carried interest, are taxed at 18% and 28% respectively.

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 employees

WEEKLY EARNINGS

Up to £166 (£162)	Nil
£166.01-£962 (£162.01-£892)	12%
Over £962 (over £892)	2%

Class 1 employees (a) (b)

Up to £166 (£162)	Nil
Over £166 (Over £162)	13.8%

(a) Most businesses and charities can claim a reduction of up to £3,000 (£3,000) of their employers' contributions ("NIC employment allowance").

(b) No employers' contributions are payable in respect of weekly earnings up to £962 (£892) paid to employees under 21 and apprentices under 25.

Other

Class 1A (employers only): 13.8% (13.8%) on the amounts of taxable benefits.

Class 1B (employers only): 13.8% (13.8%) in respect of amounts in a PAYE settlement agreement and the income tax thereon.

Class 2 (flat rate for self-employed): £3.00 (£2.95) per week on profits above £6,365 (£6,205).

Class 3 (voluntary): £15.00 (£14.65) per week.

Class 4 (self-employed): 9% (9%) of profits between £8,632 (£8,424) and £50,000 (£46,350) per annum and 2% (2%) on profits above £50,000 (£46,350).

CORPORATION TAX

FINANCIAL YEAR (FROM 1 APRIL)	2019	2018
Main rate	19%	(19%)
Surcharge on bank profits	8%	(8%)
Loss annual allowance per group	£5 million	£5 million
Restriction of losses (% of profits above allowance)	50%	50%

DIVERTED PROFITS TAX

Companies with diverted profits pay diverted profits tax at 25% (25%) on such profits.

CAPITAL ALLOWANCES

EXPENDITURE ON:	2019/20	2018/19
Plant and machinery (a)	18%	(18%)
Plant and machinery in certain designated assisted areas	100%	(100%)
Motor cars – CO ₂ emissions;		
≤50g/km (≤50g/km) (a)	100%	(100%)
50-110g/km (50-110g/km) (a)	18%	(18%)
>110g/km (>110g/km) (a)	6%	(8%)
New and unused zero emission goods vehicles	100%	(100%)
Long life assets/integral features in buildings (a)	6%	(8%)
Patent rights and know-how (a) (b)	25%	(25%)
Mines, oil wells, mineral rights (a) (c)	25%	(25%)
Research and development	100%	(100%)
Energy-saving and water efficient plant and machinery	100%	(100%)
Structures and buildings allowance	2%	2%

(from 29 October 2018)

From 1 January 2019 to 31 December 2020 the 100% **annual investment allowance** will apply to the first £1m (£200,000) per annum of capital expenditure, per group of companies or related entities, on plant and machinery, including long life assets and integral features, but excluding cars.

(a) These allowances are given on a reducing balance basis.

(b) Tax relief for expenditure on certain intangibles is given by accounting write downs (and not capital allowances).

(c) Acquisition of mineral deposits and rights qualify for 10% p.a.

PATENT BOX AND RESEARCH & DEVELOPMENT TAX CREDITS

FINANCIAL YEAR (FROM 1 APRIL)	2019	2018
Patent box – effective corporation tax rate	10%	10%
R&D tax credit for SMEs	130%	130%
R&D expenditure credit – minimum rate	12%	12%

APPRENTICESHIP LEVY

A 0.5% (0.5%) annual levy will be payable by employers, charged on pay bills in excess of £3m (£3m).