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VAT

	From 4.1.2011	**From 1.1.2010**
Standard rate	20%	**17.5%**
VAT fraction of gross price	1/6	**7/47**
Reduced rate	5%	**5%**

Annual turnover limits[1]	**From 1.4.2010**	From 1.5.2009
- registration	**£70,000**	£68,000
- deregistration	**£68,000**	£66,000

[1]based on previous 12 months or expected within next 30 days.

STAMP DUTY LAND TAX (SDLT)

Value of property £	Residential %	Non-residential %
1 - 125,000	nil	nil
125,001 - 150,000	1[1,2]	nil
150,001 - 250,000	1[2]	1
250,001 - 500,000	3	3
over 500,000	4	4

[1]nil in disadvantaged areas.
[2]nil for first time buyers for two years starting from 25 March 2010.

CHARITABLE GIVING

Gift Aid donations qualify for tax relief. Donations must be in cash. An individual must make a written Gift Aid declaration. Charities may reclaim tax on the donation.

Company donations are made gross and charities may not recover tax.

Example (2010/2011)	£	£
Tax relief to individual	(40% taxpayer)	(50% taxpayer)
Donation paid	800.00	800.00
Higher rate tax relief on grossed up donation (20%/30% x £1,000)	200.00	300.00
Cost to individual	**600.00**	**500.00**
Charity's position		
Net donation	800.00	800.00
Grossed up at 22%[1]	225.64	225.64
Gross receipt	**1,025.64**	**1,025.64**

[1]transitional relief continues the 22% tax recovery until 5 April 2011.

Income, Capital Gains and Corporation Tax reliefs also apply for gifts to charity of listed shares and securities, AIM shares, units in authorised unit trusts, shares in OEICs and land and buildings.

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Tax Facts 2010 - 2011

Emergency Budget

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PERSONAL TAXES

Income Tax Rates

	2010/2011 %	2009/2010 %	Tax on band £
£1 - £37,400[1]	**20**	20	7,480
£37,401 - £150,000	**40**	40	45,040
over £150,000	**50**	40	-
Dividend rate[2]			
40% taxpayer	**32.5**	32.5	-
50% taxpayer	**42.5**	-	-

[1]there is a 10% starting rate of up to £2,440 applicable to savings income. Where taxable non-savings income exceeds £2,440, the 10% starting rate for savings will not apply.

[2]the rate for dividends applies to the dividend plus the 10% tax credit. The rates after the 10% credit are therefore 22.5% and 32.5% (where other income is charged at 40% and 50% respectively).

Inheritance Tax (IHT)

	Rate
£1 - £325,000[1]	nil
over £325,000	40% on death

[1]executors of a surviving spouse can claim any unused nil rate band on the death of the first spouse.

Lifetime gifts
Most lifetime gifts are exempt from IHT where the donor survives seven years. Some gifts including those to and from trusts are taxed at 20%. Where death occurs within seven years, a reduced rate of tax applies between years four and seven following the gift.

Other exemptions
Small gifts: £250 per donee. Annual gifts: £3,000 per donor.

Capital Gains Tax (CGT)

Annual exemption	£
Individuals	10,100
Trustees	5,050

Rates	Before 23.6.2010	**From 23.6.2010**
Basic rate taxpayer	18%	**18%[1]**
Higher rate taxpayer	18%	**28%[1]**
Trustees and personal representatives	18%	**28%**
Entrepreneurs' relief	10%	**10%**
- Lifetime gains limit	£2 million	**£5 million**

[1]gains arising on or after 23 June 2010 will be treated as the top slice of income and taxed at marginal rates (18% up to the higher rate threshold, and 28% above).

Income Tax Allowances and Reliefs

	2010/2011 £	2009/2010 £
Personal allowance	**6,475**	6,475
Personal allowance reduction threshold	**100,000[1]**	-
Married couple's allowance (basic)	**2,670[2]**	2,670[2]
Age allowance		
Single person		
- aged 65 - 74	**9,490**	9,490
- aged 75 and over	**9,640**	9,640
Married couple's allowance		
- aged 75 and over	**6,965[2]**	6,965[2]
Age allowance reduction threshold	**22,900[3]**	22,900[3]
Blind person's allowance	**1,890**	1,890
Rent a room	**4,250**	4,250

[1]reduces by £1 for £2 of income over £100,000 (applies to all ages).
[2]relief at 10% available if one spouse born pre 6 April 1935.
[3]reduces by £1 for £2 of income over £22,900 until basic personal allowance is reached.

BUSINESS TAXES

Corporation Tax Rates

Taxable profits	
£1 - £300,000	21%
£300,001 - £1,500,000	29.75%[1]
over £1,500,000	28%
[1]marginal tax fraction	7/400

Capital Allowances

	First year/initial allowance	Writing-down allowance
Plant & machinery		
general[1]	nil	20%
long life/integral features[2]	nil	10%
green technology[3]	100%	nil
Annual Investment Allowance (AIA) on first £100,000 of expenditure[4]	100%	nil
Industrial/agricultural buildings	nil	1%
Research & Development	100%	nil

[1]includes cars emitting above 110 g/km of CO_2 and no more than 160 g/km of CO_2.
[2]includes cars emitting more than 160 g/km of CO_2.
[3]includes cars emitting no more than 110 g/km of CO_2 and electric cars.
[4]available on general plant & machinery, long life assets and integral features.

EMPLOYMENT TAXES

National Insurance Contributions (NICs)

From 6 April 2010
Class 1 Employed:

£ pw earnings	Contracted in	Contracted out (salary related)	Contracted out (money purchase)
Employee Earnings bracket			
Up to £110.00	nil	nil	nil
£110.01 - £770.00	11%	9.4%	9.4%
£770.01 - £844.00	11%	11%	11%
over £844.00	1%	1%	1%
rebate £97 - £110	-	1.6%	1.6%
Employer Earnings bracket			
Up to £110.00	nil	nil	nil
£110.01 - £770.00	12.8%	9.1%	11.4%
over £770.00	12.8%	12.8%	12.8%
rebate £97 - £110	-	3.7%	1.4%

Class 2 Self-employed:
Weekly rate £2.40 (small earnings exception: £5,075 a year)

Class 3 Voluntary:
Weekly rate £12.05

Class 4 Self-employed:
8% on annual profits between £5,715 - £43,875
1% on annual profits above £43,875

Pension Contributions

	2010/2011 £
Annual allowance[1]	**255,000[2]**
Lifetime allowance	**1,800,000**

[1]tax relief on lower of annual earnings or the annual allowance (or £3,600 regardless of earnings level). Tax relief may be restricted to 20% where total income is £130,000 or more.
[2]aggregate of personal and employer contributions.

Car Benefit Assessment 2010/2011

Car benefit is based on a percentage of the car's list price (subject to a ceiling of £80,000) graduated according to the level of the car's CO_2 emissions (subject to a maximum of 35%). This applies to cars first registered on or after 1 January 1998. There are different rules for older cars and those with no CO_2 figure.

Discounts apply for cars which run on alternative fuels such as electric, hybrid, E85 fuel and liquefied petroleum gas. A 3% supplement applies to all diesel cars subject to a maximum of 35%.