



dte business advisers



**Tax Tables
2020/21**

INCOME TAX

| UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income | 20/21 | 19/20 |
|--|--------------|--------------|
| 20% basic rate on first slice of taxable income up to | £37,500 | £37,500 |
| 40% higher rate on next slice of taxable income over | £37,500 | £37,500 |
| 45% additional rate on taxable income over | £150,000 | £150,000 |

All UK taxpayers

| | | |
|--|--------|--------|
| Starting rate at 0% on band of savings income up to* | £5,000 | £5,000 |
| Personal savings allowance at 0%: Basic rate | £1,000 | £1,000 |
| Higher rate | £500 | £500 |
| Additional rate | £0 | £0 |
| Dividend allowance at 0% – all individuals | £2,000 | £2,000 |
| Tax rates on dividend income: Basic rate | 7.5% | 7.5% |
| Higher rate | 32.5% | 32.5% |
| Additional rate | 38.1% | 38.1% |
| Trusts: Standard rate band generally | £1,000 | £1,000 |
| Rate applicable to trusts: Dividends | 38.1% | 38.1% |
| Other income | 45% | 45% |

*Not available if taxable non-savings income exceeds the starting rate band

Scottish taxpayers – non-dividend, non-savings income

| | | |
|---|----------|----------|
| 19% starter rate on taxable income up to | £2,085 | £2,049 |
| 20% basic rate on next slice up to | £12,658 | £12,444 |
| 21% intermediate rate on next slice up to | £30,930 | £30,930 |
| 41% higher rate on next slice up to | £150,000 | £150,000 |
| 46% top rate on income over | £150,000 | £150,000 |

High Income Child Benefit Charge, 1% of benefit per £100 of adjusted net income between £50,000 – £60,000

| Main personal allowances and reliefs | 20/21 | 19/20 |
|--|--------------|--------------|
| Personal allowance** | £12,500 | £12,500 |
| Marriage/civil partner's transferable allowance | £1,250 | £1,250 |
| Married couple's/civil partner's allowance at 10% [†] | | |
| (if at least one born before 6/4/35) – maximum | £9,075 | £8,915 |
| – minimum | £3,510 | £3,450 |
| Blind person's allowance | £2,500 | £2,450 |
| Rent-a-room relief | £7,500 | £7,500 |
| Property allowance and trading allowance (each) | £1,000 | £1,000 |

**Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

[†]Married couple's/civil partner's allowance reduced by £1 for every £2 of adjusted net income over £30,200 (£29,600 for 19/20), until minimum reached

REGISTERED PENSIONS

| | 20/21 | 19/20 |
|--|--------------|--------------|
| Lifetime allowance | £1,073,100 | £1,055,000 |
| Money purchase annual allowance | £4,000 | £4,000 |
| Annual allowance* | £40,000 | £40,000 |
| Annual allowance charge on excess is at applicable tax rate(s) on earnings | | |
| Lifetime allowance charge if excess is drawn as cash 55%; as income 25% | | |
| Pension commencement lump sum up to 25% of pension benefit value | | |
| *Reduced by £1 for every £2 of adjusted income over £240,000 (£150,000 for 19/20) to a minimum of £4,000 (£10,000 for 19/20), subject to threshold income being over £200,000 (£110,000 for 19/20) | | |

STATE PENSIONS

| | | |
|--|----------------------------|--------------------------|
| New state pension – where state pension age reached after 5/4/16 | Annual £9,110.40 | Weekly £175.20 |
| Basic state pension – single person* | £6,981.00 | £134.25 |
| Basic state pension – spouse/civil partner* | £4,183.40 | £80.45 |

* State pension age reached before 6/4/16

TAX INCENTIVISED INVESTMENT

| | | |
|---|-------------------------|-------------------------|
| Total Individual Savings Account (ISA) limit excluding Junior ISAs (JISAs) | 20/21 £20,000 | 19/20 £20,000 |
| Lifetime ISA | £4,000 | £4,000 |
| JISA and Child Trust Fund | £9,000 | £4,368 |
| Venture Capital Trust (VCT) at 30% | £200,000 | £200,000 |
| Enterprise Investment Scheme (EIS) at 30%* | £2,000,000 | £2,000,000 |
| EIS eligible for CGT deferral relief | No limit | No limit |
| Seed EIS (SEIS) at 50% | £100,000 | £100,000 |
| SEIS CGT reinvestment relief | 50% | 50% |

*Above £1,000,000 investment must be in knowledge-intensive companies

NATIONAL INSURANCE CONTRIBUTIONS

| | | |
|--|-----------------|-----------------|
| Class 1 | Employee | Employer |
| NICs rate | 12% | 13.8% |
| No NICs for employees generally on the first | £183 pw | £169 pw |
| No NICs for younger employees* on the first | £183 pw | £962 pw |
| NICs rate charged up to | £962 pw | No limit |
| 2% NICs on earnings over | £962 pw | N/A |

Employment Allowance

Per business – not available if sole employee is a director or employer's NICs for 19/20 £100,000 or more

| | | | |
|---|---------------|----------------|---------------|
| Limits and Thresholds | Weekly | Monthly | Annual |
| Lower earnings limit | £120 | £520 | £6,240 |
| Primary threshold | £183 | £792 | £9,500 |
| Secondary threshold | £169 | £732 | £8,788 |
| Upper earnings limit (and upper secondary thresholds*) | £962 | £4,167 | £50,000 |

* Employees generally under 21 years and apprentices under 25 years

Class 1A Employer On car and fuel benefits and most other taxable benefits provided to employees and directors 13.8%

Class 2 Self-employed Flat rate per week £3.05 (£158.60 pa)

Small profits threshold

No compulsory NICs if annual profits less than £6,475

Class 4 Self-employed On annual profits of £9,500 to £50,000: 9%
Over £50,000: 2%

Class 3 Voluntary flat rate per week £15.30 (£795.60 pa)

CAPITAL GAINS TAX

| | | |
|--|--------------|--------------|
| Tax Rates – Individuals | 20/21 | 19/20 |
| Below UK higher rate income tax band | 10% | 10% |
| Within UK higher and additional rate income tax bands | 20% | 20% |
| Tax Rate – Trusts and Estates | 20% | 20% |
| Surcharge for residential property and carried interest | 8% | 8% |

Exemptions

Annual exempt amount: Individuals, estates, etc £12,300 £12,000
Trusts generally £6,150 £6,000

Chattels gain limited to 5/3rds of proceeds exceeding £6,000 £6,000

Entrepreneurs' Relief

10% on lifetime limit of £1,000,000 (£10,000,000 before 11 March 2020)
For trading businesses and companies (minimum 5% participation) held for at least 2 years

INHERITANCE TAX

| | 20/21 | 19/20 |
|---|------------------|----------------|
| Nil-rate band* | £325,000 | £325,000 |
| Residence nil-rate band*† | £175,000 | £150,000 |
| Rate of tax on excess | 40% | 40% |
| Rate if at least 10% of net estate left to charity | 36% | 36% |
| Lifetime transfers to and from certain trusts | 20% | 20% |
| Overseas domiciled spouse/civil partner exemption | £325,000 | £325,000 |
| 100% relief: businesses, unlisted/AIM companies, certain farmland/buildings | | |
| 50% relief: certain other business assets e.g. farmland let before 1/9/95 | | |
| Annual exempt gifts of: | £3,000 per donor | £250 per donee |

Tapered tax charge on lifetime gifts within 7 years of death

| Years between gift and death | 0-3 | 3-4 | 4-5 | 5-6 | 6-7 |
|------------------------------|-----|-----|-----|-----|-----|
| % of death tax charge | 100 | 80 | 60 | 40 | 20 |

* Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death

† Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000

STAMP DUTIES AND PROPERTY TRANSACTION TAXES

Stamp Duty and SDRT: Stocks and marketable securities 0.5%

Additional residential and all corporate residential properties

£40,000 or more – add 3% to SDLT/LTT rate(s) and 4% on LBTT rate(s)

England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

| Residential property | % | Commercial property | % |
|----------------------|----|---------------------|---|
| Up to £125,000 | 0 | Up to £150,000 | 0 |
| £125,001–£250,000 | 2 | £150,001–£250,000 | 2 |
| £250,001–£925,000 | 5 | Over £250,000 | 5 |
| £925,001–£1,500,000 | 10 | | |
| Over £1,500,000 | 12 | | |

First-time buyers: 0% on first £300,000 for properties up to £500,000

Residential properties bought by companies etc over £500,000: 15% of total consideration, subject to certain exemptions

Scotland – Land and Buildings Transaction Tax (LBTT) on slices of value

| Residential property | % | Commercial property | % |
|----------------------|----|---------------------|---|
| Up to £145,000 | 0 | Up to £150,000 | 0 |
| £145,001–£250,000 | 2 | £150,001–£250,000 | 1 |
| £250,001–£325,000 | 5 | Over £250,000 | 5 |
| £325,001–£750,000 | 10 | | |
| Over £750,000 | 12 | | |

First-time buyers: 0% on first £175,000

Wales – Land Transaction Tax (LTT) on slices of value

| Residential property | % | Commercial property | % |
|----------------------|-----|---------------------|---|
| Up to £180,000 | 0 | Up to £150,000 | 0 |
| £180,001–£250,000 | 3.5 | £150,001–£250,000 | 1 |
| £250,001–£400,000 | 5 | £250,001–£1,000,000 | 5 |
| £400,001–£750,000 | 7.5 | Over £1,000,000 | 6 |
| £750,001–£1,500,000 | 10 | | |
| Over £1,500,000 | 12 | | |

CORPORATION TAX

| | Profits | Diverted profits | Loans to participants |
|------------------------------|---------|------------------|-----------------------|
| Years to 31/3/21 and 31/3/20 | 19% | 25% | 32.5% |

VALUE ADDED TAX

| | | | |
|---|---------|-------------------------------------|------------|
| Standard rate | 20% | Reduced rate, e.g. on domestic fuel | 5% |
| Since 1/4/17: Registration level | £85,000 | Deregistration | £83,000 |
| Flat rate scheme turnover limit | | | £150,000 |
| Cash and annual accounting schemes turnover limit | | | £1,350,000 |

CAR BENEFITS

Taxable amount based on original list price and CO₂ emissions in g/km.

Zero emission cars no charge

Petrol and diesel hybrids with CO₂ emissions 1–50g/km

| Range – electric-only miles | < 30 | 30–39 | 40–69 | 70–129 | 130 + |
|-------------------------------|------|-------|-------|--------|-------|
| Registered pre-6/4/20 (NEDC) | 14% | 12% | 8% | 5% | 2% |
| Registered post-5/4/20 (WLTP) | 12% | 10% | 6% | 3% | 0% |

All non-diesel cars over 50g/km CO₂

| | 51–54 | 55 & over |
|-------------------------------|-------|-----------|
| Registered pre-6/4/20 (NEDC) | 15% | 16%*–37% |
| Registered post-5/4/20 (WLTP) | 13% | 14%*–37% |

*Increased for every extra 5g/km by 1% up to the maximum 37%

Diesels not meeting RDE2 standards: add 4%, up to 37% maximum

| Fuel Benefit – taxable amount for private use | 20/21 | 19/20 |
|---|---------|---------|
| CO ₂ % charge used for car benefit multiplied by | £24,500 | £24,100 |

VANS – FOR PRIVATE USE

| | 20/21 | 19/20 |
|----------------------------------|--------|--------|
| Zero emission: chargeable amount | £2,792 | £2,058 |
| Other vans: chargeable amount | £3,490 | £3,430 |
| Fuel: chargeable amount | £666 | £655 |

TAX-FREE BUSINESS MILEAGE ALLOWANCE – OWN VEHICLE

| | | |
|----------------------------------|--------------|-----------------------|
| Cars and vans first 10,000 miles | 45p per mile | then 25p per mile |
| Qualifying passenger | 5p per mile | |
| Motorcycles | 24p per mile | Bicycles 20p per mile |

MAIN CAPITAL AND OTHER ALLOWANCES

| | |
|---|------------|
| Plant and machinery 100% annual investment allowance (1st year) | |
| 1/1/19 to 31/12/20 | £1,000,000 |
| From 1/1/21 | £200,000 |
| Enterprise zone plant and machinery (max €125m per project) | 100% |
| Plant and machinery* | 18% |
| Patent rights and know-how* | 25% |
| Certain long-life assets and integral features of buildings* | 6% |
| Structures and buildings (straight line) | 3% |
| Electric charge points | 100% |

Motor Cars

| | | | |
|------------------------------------|-------------------------|---------|----------|
| CO ₂ emissions of g/km: | 50 or less [†] | 51–110 | Over 110 |
| Capital allowance: | 100% first year | 18% pa* | 6% pa* |

*Annual reducing balance

[†] New cars only

Research and Development

| | |
|---|------|
| Capital expenditure | 100% |
| Revenue expenditure relief – small/medium-sized companies | 230% |
| Research and development expenditure credit – large companies | 13% |

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For information only

Always seek professional advice before acting



DTE Offices

Manchester

6th Floor

Royal Exchange Building

St Ann's Square

Manchester M2 7FE

Tel : 0161 819 1910

Bury

The Exchange

5 Bank Street

Bury BL9 0DN

Tel : 0161 767 1200

Fax : 0161 767 1201

www.dtegroup.com  
marketing@dtegroup.com