

HARNEY & CO, CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS, 21 MARKET PLACE, BLANDFORD FORUM
DORSET , DT11 7AF

Tax Tables 2017-18

The budget proposals and other tax changes are summarised on these pages. The proposals may, however, be amended significantly before enactment. The content of this communication is intended to provide a general guide to the subject matter and should not be regarded as a basis for ascertaining liability to tax or determining investment strategy in specific circumstances. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

Income tax

Individuals			2017-18	2016-17
Non-savings	Savings	Dividends*	Band of taxable income	Band of taxable income
-	0%**		£0 - £5,000	£0 - £5,000
20%	20%	7.5%	£0 - £33,500***	£0 - £32,000
40%	40%	32.5%	£33,501 - £150,000	£32,001 - £150,000
45%	45%	38.1%	Over £150,000	Over £150,000
Trustees				
2017-18 and 2016-17				
			Life interest	Discretionary
Non-savings			20%	45%
Savings			20%	45%
Dividends*			7.5%	38.1%
Standard rate band****			n/a	£1,000

* Dividends are taxed as the top slice of income, but before capital gains
 ** The 0% starting rate is for savings income only. If taxable non-savings income is above this limit, then the 0% band is not applicable
 *** £32,000 for the non-savings, non-dividend income of Scottish taxpayers
 **** Income in the standard rate band is taxed at 7.5% or 20% as appropriate

Personal allowances

	2017-18	2016-17
Personal allowance	£11,500	£11,000
Income limit for personal allowance*	£100,000	£100,000
Marriage allowance**	£1,150	£1,100
Married couple's allowance for those born before 6/4/1935***	£8,445	£8,355
Blind person's allowance	£2,320	£2,290
Dividend allowance	£5,000	£5,000
Personal savings allowance****	£1,000	£1,000

* Personal allowance reduced by £1 for every £2 of income over income limit. Personal allowance is exhausted when income exceeds £123,000 (2016-17 £122,000)
 ** Only available to married couples and civil partners born after 5 April 1935. Spouses or civil partners may transfer up to this amount of the personal allowance between them provided neither is liable to income tax above the basic rate, £33,500 for 2017-18
 *** Reduced by £1 for every £2 of income above £28,000 (2017-18). Minimum amount £3,260. Relief restricted to 10%
 **** Reduced to £500 for higher rate taxpayers. No allowance for additional rate taxpayers

Individual savings account (ISA)

	2017-18	2016-17
ISA subscription limit	£20,000	£15,240
Junior ISA subscription limit	£4,128	£4,080
Child trust fund subscription limit	£4,128	£4,080

Within the maximum overall ISA limits, individuals can contribute to Help to Buy or Lifetime ISAs. These provide a government bonus for savings used for a particular purpose. Conditions apply.

Capital gains tax (CGT)

Individuals	2017-18	2016-17
Annual exemption	£11,300	£11,100
Taxed as top slice of income:		
Main rate		
Up to basic rate band	10%	10%
Above basic rate band	20%	20%
Gains on residential property and carried interest		
Up to basic rate band	18%	18%
Above basic rate band	28%	28%
Trustees		
Exempt amount	£5,650	£5,550
Main rate	20%	20%
Gains on residential property	28%	28%
Companies		
ATED-related gains	28%	28%
NRCGT gains	20%	20%
Other chargeable gains	19%	20%
Entrepreneurs' Relief (ER)		
ER may be available in respect of gains made on the disposal of certain business assets, including shares in trading companies where, inter alia, the vendor owns at least 5% and is an employee of the company. A flat rate of 10% applies. Assets must have been owned for at least a year to qualify for the relief and there is a lifetime limit of £10 million on the gains for which the relief can be claimed. Different rules apply to shares acquired under an Enterprise Management Incentive Scheme.		
Investors' Relief (IR)		
IR may be available in respect of gains made by non-employee/director shareholders on the disposal of qualifying shares. A flat rate of 10% applies. Assets must have been owned for at least three years to qualify for the relief and there is a lifetime limit of £10 million of gains on which the relief can be claimed.		

VAT

Standard rate 20% Reduced rate 5% - applies to certain specified categories of goods		
Turnover thresholds	From 1 April 2017	From 1 April 2016
Registration	£85,000	£83,000
De-registration	£83,000	£81,000
Cash accounting	£1,350,000	£1,350,000
Annual accounting	£1,350,000	£1,350,000
Flat rate scheme	£150,000	£150,000

Corporation tax

	2017-18	2016-17
Profits and gains	19%	20%
Restitution interest payments	45%	45%
Diverted profits	25%	25%

Inheritance tax (IHT)

	2017-18	2016-17			
Nil rate band	£325,000	£325,000			
Additional residence nil rate band	£100,000	n/a			
Tax rate above nil rate band (on death)	40%	40%			
Lifetime gifts					
Lifetime gifts to individuals are exempt from IHT if the donor survives seven years. Chargeable lifetime gifts above the available nil rate band are taxed at 20%. Tax charges on gifts within seven years of death are as set out below:					
Years before death	0-3	3-4	4-5	5-6	6-7
% of death rates	100	80	60	40	20
No repayments available if tax paid on chargeable lifetime gifts exceeds charge at death.					
Other exemptions					
Certain gifts out of income. Small gifts: £250 per donee. Annual gifts: £3,000 per donor. In consideration of marriage: parent £5,000; grandparent, remoter ancestor or party to marriage £2,500; other £1,000.					
Individuals not domiciled in the UK					
Spousal exemption is limited to £325,000 where the transfer is to a non-UK domiciled spouse who does not elect to be treated as UK domiciled. An individual will become deemed domiciled in the UK from 6 April 2017 if they became UK resident during 2002-03 (ie 15 of the last 20 years). Where there has been a break in UK residency or an election to be UK domiciled is to be made, professional advice should be sought.					
* A surviving spouse or civil partner is entitled to the nil rate band/residence nil rate band to the extent unused by their deceased spouse or civil partner					
** Where 10% or more of the deceased's net estate is left to charity, the IHT rate on the remainder of the chargeable estate is 36%					

Annual Tax on Enveloped Dwellings (ATED)

Property value on 1 April 2012	2017-18	2016-17
£500,000 to £1,000,000	£3,500	£3,500
£1,000,000 to £2,000,000	£7,050	£7,000
£2,000,000 to £5,000,000	£23,550	£23,350
£5,000,000 to £10,000,000	£54,950	£54,450
£10,000,000 to £20,000,000	£110,100	£109,050
£20,000,000 and over	£220,350	£218,200
Tax increases by CPI or other specified amount each year.		

Venture Capital Trusts (VCTs)

2017-18 and 2016-17
Investments into VCTs attract income tax relief at 30% on up to £200,000 per year, and dividends and gains in respect of the VCT shares are tax free. The shares must be held for five years or more. Detailed conditions apply.

National Insurance contributions (NICs)

From 6 April 2017			
Class 1			
Employee		Employer*	
Weekly	Rate	Weekly	Rate
£0 - £157	nil	£0 - £157	nil
£158 - £866	12%	Over £157	13.8%
Over £866	2%		
Other classes of National Insurance			
Class 1A/1B	13.8%		
Class 2	£2.85 where earnings exceed £6,025pa		
Class 3 (voluntary)	£14.25		
Class 4	9% on profits between £8,164 and £45,000 and 2% above £45,000		
Employment allowance			
Certain employers qualify for a £3,000 reduction in the amount of NICs they pay.			
* Special limits may apply to under 21s and apprentices			

Stamp taxes

Stamp Duty			
Stamp Duty is charged at the rate of 0.5% on the transfer of shares valued at greater than £1,000.			
Stamp Duty Land Tax (SDLT)			
SDLT is charged on the transfer of UK property (excluding Scotland, see below) and on most lease premiums according to the value of the consideration and the use, on a progressive basis.			
Rate*	Residential bands	Rate**	Non-residential bands
0%	£0 - £125,000	0%	£0 - £150,000
2%	£125,001 - £250,000	2%	£150,001 - £250,000
5%***	£250,001 - £925,000		
10%***	£925,001 - £1,500,000	5%	Over £250,000
12%***	Over £1,500,000		
Land and Buildings Transaction Tax (LBTT)			
From 1 April 2015, LBTT replaced SDLT for property in Scotland. LBTT is charged on the transfer of Scottish property and on most lease premiums. LBTT applies on a progressive basis for both residential and non-residential property as follows:			
Rate *	Residential bands	Rate	Non-residential bands
0%	£0 - £145,000	0%	£0 - £150,000
2%	£145,001 - £250,000	3%	£150,001 to £350,000
5%	£250,001 - £325,000	4.5%	Over £350,000
10%	£325,001 - £750,000		
12%	Over £750,000		
* Additional 3% supplement to all rates where purchase of a second property not replacing a main residence and where consideration exceeds £40,000			
** Lower rates of SDLT apply to leasehold interests in non-residential property			
*** Rate is 15% where property is purchased by certain non-natural persons and consideration exceeds £500,000. Relief may be claimed in limited circumstances			

Pension schemes

	From 6 April 2017
Stakeholder limit*	£3,600
Annual allowance**	£40,000
Lifetime allowance***	£1,000,000
<p>* Contributions up to this level will benefit from tax relief regardless of earnings</p> <p>** Tax relief will be due on contributions up to a maximum of earnings or the annual allowance plus unutilised allowances from the three previous years. In 2017-18 the annual allowance is reduced by £1 for every £2 of income over £150,000 to a minimum of £10,000. A maximum of £4,000 annual allowance applies if certain pension drawings are made</p> <p>*** The maximum amount of pension savings that can benefit from tax relief during an individual's lifetime, subject to any pension protection in place</p>	

Remittance Basis Charge (RBC)

An individual who is not domiciled in the UK may be eligible to make a claim to be taxed on the remittance basis in the UK for a tax year. Those who have been resident in the UK for more than seven years may need to pay an RBC if a claim is made as follows:	
For the year ended 5 April 2018	
Will need to pay RBC if became (and remained) resident in the year ended:	Amount of RBC
5/4/2011	£30,000
5/4/2006	£60,000
From 6 April 2017, individuals who have been UK resident for at least 15 of the last 20 years, or who are UK resident and were born in the UK with a UK domicile of origin, will be deemed domiciled for income tax, CGT and IHT purposes.	

Enterprise Investment Scheme (EIS) & Seed EIS (SEIS)

2017-18 and 2016-17		
Cash subscriptions for newly issued ordinary shares of unquoted (including AIM) trading companies satisfying certain conditions. Investors must also satisfy certain conditions.		
Income tax relief – individuals only		
	EIS	SEIS
Maximum investment	£1,000,000	£100,000
Income tax relief	30%	50%
EIS and SEIS shares which attract income tax relief will be exempt from CGT (conditions apply). There is a facility to carryback 100% of investment for one year (subject to usual limits).		
EIS deferral relief – individuals and certain trusts		
No minimum or maximum subscription. CGT deferral on gains realised three years before and one year after subscription.		
SEIS CGT reinvestment relief		
50% exemption from CGT for gains made in the tax year which are reinvested in an SEIS company, subject to certain time limits.		

Capital allowances

	2017-18	2016-17
Annual Investment Allowance (AIA)	£200,000	£200,000
Plant and machinery*:		
Main rate pool	18%	18%
Short life assets	18%	18%
Special rate pool	8%	8%
Energy-saving technology**	100%	100%
Certain low CO ₂ emission cars	100%	100%
100% initial allowances for: certain energy saving technology; research and development (conditions apply).		
* On reducing balance		
** Loss-making companies may surrender losses for a PAYE tax credit. The qualifying list changes each year and therefore should be regularly reviewed		

Creative industries tax relief 2017-18

Enhanced corporation tax deductions are available to support companies operating in certain creative industries. Reliefs currently available are:
<ul style="list-style-type: none"> • Film Tax Relief • Television Tax Relief • Video Games Tax Relief • Theatre Tax Relief • Orchestra Tax Relief • Museums and Galleries Tax Relief
Detailed conditions apply. In certain circumstances relief may be available in the form of a payable tax credit.

Car, van and fuel benefits 2017-18

Benefits in kind for company cars and fuel vary depending on their CO ₂ emissions. Flat-rate charges apply in respect of vans. HMRC also provide advisory fuel rates for employees using their own vehicle, or one provided by their employer. These are regularly updated, and can be found on the Gov.uk website.
--

Tax relief for qualifying research & development

2017-18 and 2016-17
Small and medium-sized enterprises may be eligible for 230% tax relief on qualifying R&D expenditure. Loss-making companies may be entitled to a tax credit, subject to detailed conditions. Large companies do not qualify for this relief, but may instead be eligible for the Research & Development Expenditure Credit.

Apprenticeship Levy

	From 6 April 2017
Levy rate (on total pay bill)	0.5%
Annual allowance	£15,000

These Tax Tables incorporate relevant Budget 2017 announcements. Where these were not legislated in Finance Act 2017, we have assumed that they will be legislated in a Finance Bill later in 2017 and will take effect from April 2017 as previously announced.