

# TAX CARD

## 2014/15



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# TAX FREE MILEAGE ALLOWANCES

|                    |                                  |     |
|--------------------|----------------------------------|-----|
| Cars and vans      | First 10,000 business miles p.a. | 45p |
|                    | Thereafter                       | 25p |
| Motorcycles        | 24p                              |     |
| Bicycles           | 20p                              |     |
| Business passenger | 5p                               |     |

## ■ Fuel only allowance for company cars

| From 1 March 2014 | Petrol | Diesel | LPG |
|-------------------|--------|--------|-----|
| Up to 1400cc*     | 14p    | 12p    | 9p  |
| 1401**-2000cc     | 16p    | 14p    | 11p |
| Over 2000cc       | 24p    | 17p    | 17p |

These rates may change within the tax year.  
\*1600cc for petrol \*\*1601cc for diesel.  
Hybrid cars are treated as either petrol or diesel cars.

# VEHICLE AND FUEL BENEFITS IN KIND (BIK)

The taxable BIK is calculated as a percentage of the car's UK list price. The percentage depends on the car's CO<sub>2</sub> emissions in grams per kilometre (g/km).

| Emissions     | Petrol                 | Diesel |
|---------------|------------------------|--------|
| 1 – 75g/km    | 5%                     | 8%     |
| 76 – 94g/km   | 11%                    | 14%    |
| 95 – 99g/km   | 12%                    | 15%    |
| Over 99g/km   | add 1% for every 5g/km |        |
| Over 210g/km* | 35% maximum            |        |

\*Over 195g/km for diesel.

Chargeable on employees earning £8,500 or over (including BIK) and directors. The list price is on the day before first registration, including most accessories and is reduced by any employee's capital contribution (max £5,000) when the car is first made available.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage (above) to **£21,700 (2013/14 £21,100)**.

Vans where private use is more than home to work travel; **£3,090** benefit and **£581** for private fuel. Payments by employees for private use may reduce the BIK.

# VALUE ADDED TAX

| From 1 April  | 2014 | 2013 |
|---------------|------|------|
| Standard rate | 20%  | 20%  |
| VAT fraction  | 1/6  | 1/6  |

## ■ Taxable turnover limits

|  |            |            |
|--|------------|------------|
| Registration (last 12 months or next 30 days over) | £81,000    | £79,000    |
| Deregistration (next year under)                   | £79,000    | £77,000    |
| Annual accounting scheme                           | £1,350,000 | £1,350,000 |
| Cash accounting scheme                             | £1,350,000 | £1,350,000 |
| Flat rate scheme                                   | £150,000   | £150,000   |

# STAMP TAXES

Stamp duty is payable at a rate of 0.5% on certain transfers of shares and securities of £1,000 and over.

| On the transfer of residential property |     |                       |     |
|---|-----|-----------------------|-----|
| £0-£125,000                             | nil | £500,001-£1,000,000   | 4%* |
| £125,001-£250,000                       | 1%  | £1,000,001-£2,000,000 | 5%* |
| £250,001-£500,000                       | 3%  | over £2,000,000       | 7%* |

\*15% for purchases by certain non-natural persons including corporate bodies.

# DUE DATES FOR TAX PAYMENTS

| Income tax and class 4 NIC          | 2014/15   | 2013/14 |
|-------------------------------------|---|---------|
| 1st payment on account (31 January) | 2015  | 2014    |
| 2nd payment on account (31 July)    | 2015  | 2014    |
| Balancing payment (31 January)      | 2016  | 2015    |
| Capital gains tax (31 January)      | 2016  | 2015    |
| Inheritance tax                     | Normally six months after the end of the month in which death occurs. |         |

| Corporation tax   |
|---|
| <b>Small and medium companies</b><br>Nine months and one day after the end of the accounting period.              |
| <b>Large companies</b><br>Four quarterly instalments commencing six and a half months into the accounting period. |

# TAXABLE INCOME BANDS AND TAX RATES

|                             | 2014/15          | 2013/14          |
|-----------------------------|------------------|------------------|
| Savings starting rate limit | £2,880           | £2,790           |
| Savings starting rate       | 10%              | 10%              |
| Basic rate band             | £31,865          | £32,010          |
| Basic rate                  | 20%              | 20%              |
| Dividend ordinary rate      | 10%              | 10%              |
| Higher rate band            | £31,866-£150,000 | £32,011-£150,000 |
| Higher rate                 | 40%              | 40%              |
| Dividend upper rate         | 32.5%            | 32.5%            |
| Additional rate band        | over £150,000    | over £150,000    |
| Additional rate             | 45%              | 45%              |
| Dividend additional rate    | 37.5%            | 37.5%            |

## ■ Allowances that reduce taxable income

|                          |  | 2014/15 | 2013/14 |
|--------------------------|--|---------|---------|
| Personal allowance       | Born after 5 April 1948                    | £10,000 | £9,440  |
|                          | Born between 6 April 1938 and 5 April 1948 | £10,500 | £10,500 |
|                          | Born before 6 April 1938                   | £10,660 | £10,660 |
| Blind person's allowance |  | £2,230  | £2,160  |

The higher personal allowances are reduced by **£1** for each **£2** of income above **£27,000 (2013/14, £26,100)**, until **£10,000 (2013/14, £9,440)** is reached. This is further reduced by **£1** for each **£2** of income from **£100,000** to **£120,000 (2013/14, £118,880)**.

## ■ Allowances that reduce tax

|  | 2014/15 | 2013/14 |
|--|---------|---------|
| Married couple's allowance (MCA) tax reduction | £816.50 | £791.50 |

Available to people born before 6 April 1935. The age for MCA is of the elder spouse or civil partner. The loss of tax reduction is **10p** for each **£2** of income above **£27,000 (2013/14, £26,100)** until **£314 (2013/14, £304)** is reached.

# HIGH INCOME CHILD BENEFIT CHARGE

|           | 2014/15 | 2013/14 |
|-----------|---------|---------|
| Threshold | £50,000 | £50,000 |

There is a tax charge of **1%** of the child benefit received for each **£100** that the threshold is exceeded up to a maximum of **100%**.

# INHERITANCE TAX

|   | 2014/15  | 2013/14  |
|---|----------|----------|
| Single person's threshold                                       | £325,000 | £325,000 |
| Combined threshold limit for married couples and civil partners | £650,000 | £650,000 |

## ■ Tax rates

|   | 2014/15 | 2013/14 |
|---|---------|---------|
| Main rate                                   | 40%     | 40%     |
| Chargeable on lifetime transfers            | 20%     | 20%     |
| Transfers on or within seven years of death | 40%     | 40%     |
| Reduced rate                                | 36%     | 36%     |

All lifetime transfers not covered by exemptions and made within seven years of death will be added back into the estate for the purposes of calculating the tax payable. This may then be reduced as follows:

| Years before death | 0-3 | 3-4 | 4-5 | 5-6 | 6-7 |
|--------------------|-----|-----|-----|-----|-----|
| Tax reduced by     | 0%  | 20% | 40% | 60% | 80% |

## ■ Main exemptions

1. Most transfers between spouses and between civil partners.
2. First £3,000 of lifetime transfers in any tax year plus any unused from the previous year.
3. Gifts up to £250 p.a. to any number of persons.
4. Gifts made out of income that form part of normal expenditure and do not reduce the standard of living.
5. Gifts in consideration of marriage/civil partnership up to £5,000 by a parent, £2,500 by grandparents, or £1,000 by anyone else.
6. Gifts to charities, whether made during lifetime or on death.

# CAPITAL GAINS TAX

|                       |                 | 2014/15 | 2013/14 |
|-----------------------|-----------------|---------|---------|
| Lower rate            |                 | 18%     | 18%     |
| Higher rate           |                 | 28%     | 28%     |
| Annual exemption      | Individuals     | £11,000 | £10,900 |
|                       | Settlements     | £5,500  | £5,450  |
| Entrepreneurs' relief | Applicable rate | 10%     | 10%     |
|                       | Lifetime limit  | £10m    | £10m    |

# NATIONAL INSURANCE

## ■ Class 1 (not contracted out)

|  | Employer | Employee |
|--|----------|----------|
| Lower earnings limit                       | n/a      | £111     |
| Payable on weekly earnings of £111-£153    | 0%       | 0%       |
| Payable on weekly earnings of £153.01-£805 | 13.8%    | 12%      |
| Over £805                                  | 13.8%    | 2%       |
| Over state retirement age                  | 13.8%    | 0%       |
| Employment allowance                       | £2,000*  | n/a      |

\* Per employer, per year.

## ■ Class 1A

|                      |       |     |
|----------------------|-------|-----|
| On relevant benefits | 13.8% | N/A |
|----------------------|-------|-----|

## ■ Class 2

|                                     |                  |
|-------------------------------------|------------------|
| Self employed                       | £2.75 per week   |
| Limit of net earnings for exception | £5,885 per annum |

## ■ Class 3

|           |                 |
|-----------|-----------------|
| Voluntary | £13.90 per week |
|-----------|-----------------|

## ■ Class 4\*

|   |    |
|---|----|
| Self employed on profits £7,956-£41,865 | 9% |
| Over £41,865                            | 2% |

\* Exemption applies if the state retirement age is reached by 6 April 2014.

# PENSION CONTRIBUTIONS

|   |   |              |
|---|---|--------------|
| Maximum annual tax-efficient gross contributions to age |   | 74           |
| - individuals   | £3,600 or 100% of net relevant earnings to £40,000* |              |
| - employers   | £40,000 less employee contributions                 |              |
| Normal age for accessing benefits                       |   | 55           |
| Lifetime allowance charge                               | lump sum paid                                       | 55%          |
|   | monies retained                                     | 25%          |
| On cumulative benefits exceeding                        |   | £1,250,000** |
| Maximum tax-free lump sum                               |   | 25%**        |

\* The annual contribution may be increased to include the unused amounts from the previous three years, subject to specific conditions.

\*\* Subject to protection for excess amount.

# NISA, ISA AND JUNIOR ISA

|            |                           | 01/07/14 to 05/04/15    | 06/04/14 to 30/06/14 | 2013/14 |
|------------|---------------------------|-------------------------|----------------------|---------|
| NISA/ISA   | Annual investment limit   | £15,000 combined limit* | £11,880              | £11,520 |
|            | Including cash maximum of |                         | £5,940               | £5,760  |
| Junior ISA | Annual investment limit   | £4,000*                 | £3,840               | £3,720  |

\* 2014/15 total

## CORPORATION TAX

| Financial year to 31 March |                 | 2015   | 2014   |
|----------------------------|-----------------|--------|--------|
| Taxable profits            | First £300,000  | 20%    | 20%    |
|                            | Next £1,200,000 | 21.25% | 23.75% |
|                            | Over £1,500,000 | 21%    | 23%    |

## MAIN CAPITAL ALLOWANCES

### ■ Initial allowances

|   |      |
|---|------|
| First year allowance: for certain environmentally beneficial equipment, electric and low CO <sub>2</sub> emission (up to 95g/km) cars | 100% |
| Annual investment allowance: on first £500,000 of investment (excludes cars)  | 100% |

### ■ Writing down allowances

|  |                  |     |
|--|------------------|-----|
| Other plant and machinery  |                  | 18% |
| Long-life assets, integral features of buildings, thermal insulation |                  | 8%  |
| Cars   | 96g/km – 130g/km | 18% |
|  | Over 130g/km     | 8%  |

## INVESTMENT RELIEFS

|                                   |             |            |
|-----------------------------------|-------------|------------|
| Enterprise investment scheme      | Limit       | £1,000,000 |
|                                   | Relief rate | 30%        |
| Venture capital trust             | Limit       | £200,000   |
|                                   | Relief rate | 30%        |
| Seed enterprise investment scheme | Limit       | £100,000   |
|                                   | Relief rate | 50%        |

## IMPORTANT NOTICE

These rates and allowances are for information only. Contact us to discuss your planning.

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