



**NG ACCOUNTING**

BIG FIRM EXPERIENCE, SMALL FIRM PERSONALITY

# NG Accounting - Tax Facts **2018/19**

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## CORPORATION TAX

	2018/19	2017/18
Corporation Tax - all profits and gains	19%	19%

## CAPITAL ALLOWANCES

	2018/19	2017/18	Note
Plant and machinery:			
Annual investment allowance	100%	100%	1
Long life assets and integral features	8%	8%	2
Other assets	18%	18%	2
First year allowances:			
Research and development, enterprise zone (qualifying zones), energy-saving technologies including cars, water efficient technology, brand new zero-emission goods vehicles, business premises renovation	100%	100%	
Cars: CO emissions (g/km)			
50 or less	100%	100%	
51 to 110	18%	18%	2
Over 110	8%	8%	2

**1.** Maximum AIA £200,000pa.

**2.** Reducing balance.

## AUTHORISED MILEAGE RATES

		Per mile
Private cars and vans:	First 10,000 miles in the tax year	45p
	Additional miles	25p
	Each qualifying passenger	5p
Motor cycle		24p
Cycle		20p

## RESEARCH AND DEVELOPMENT TAX CREDITS

	2018/19	2017/18	Note
SME enhanced deduction scheme	130%	130%	1
SME cash credit for R&D loss surrendered	14.5%	14.5%	
Large company enhanced deduction scheme	30%	30%	1
Large company above the line scheme credit.	12%	11%	2

- 1.** Additional (enhanced) tax deduction available for qualifying R&D expenditure.
- 2.** Taxable credit available on qualifying R&D expenditure.

## VALUE ADDED TAX

	2018/19	Note
Standard rate	20%	
Reduced rate	5%	
Annual turnover limit for registration	£85,000	1
Annual cash accounting upper limit	£1,350,000	
Arrivals threshold	£1,500,000	
EC Sales List reporting threshold	Nil	
Dispatches threshold	£250,000	

1. Taxable turnover is measured by reference to the last 12 months or the next 30 days.

## CAR AND FUEL SCALE BENEFITS

Car benefit:	Percentage of list price	
Fuel benefit:	£23,400	
CO2 emissions (g/km):	Diesel	Petrol
0 – 50	17%	13%
51 – 75	20%	16%
76 – 94	23%	19%
Each additional 5	Further 1%	Further 1%
Diesel 160 and over / Petrol 180 and over	37%	37%

## STAMP DUTY

Consideration on shares over £1,000

0.5%

<b>Residential</b>	England &NI	Scotland	Wales
Price/premium payable	SDLT	LBTT	LTT
£1 – £125,000	Nil	Nil	Nil
£125,001 – £145,000	2%	Nil	Nil
£145,001 – £180,000	2%	2%	Nil
£180,001 – £250,000	2%	2%	3.5%
£250,001 – £325,000	5%	5%	5%
£325,001 – £400,000	5%	10%	5%
£400,001 – £750,000	5%	10%	7.5%
£750,001 – 925,000	5%	12%	10%
£925,001 – £1.5m	10%	12%	10%
Over £1.5m	12%	12%	12%

3% supplement to above rates for second properties and all purchases above £40,000 by corporates, discretionary and certain other trustees.

Enveloped properties in England and Northern Ireland above £500,000 at a flat 15% SDLT rate unless a relief available.

LTT in Wales introduced from 1st April 2018.

From 22nd November 2017 first time buyer exemption from SDLT for purchases up to £300,000 and for the first £300,000 of purchases up to £500,000

From 1 April 2018 first time buyer from LBTT for the first £175,000 of relevant property purchases.

<b>Non-residential</b>	England &NI	Scotland	Wales
Price/premium payable	SDLT	LBTT	LTT
£1 – £150,000	Nil	Nil	Nil
£150,001 – £250,000	2%	3%	1%
£225,001 – £350,000	5%	3%	5%
£350,001 – £1m	5%	4.5%	5%
Over £1m	5%	4.5%	6%

## INCOME TAX ALLOWANCES

	2018/19	2017/18	Note
Basic personal allowance	£11,850	£11,500	1, 4
Married/civil partners allowance	£8,695	£8,445	2, 3
Minimum married/civil partners allowance	£3,360	£3,260	2, 3
Married/civil partners transferable allowance	£1,185	£1,150	2
Income limit	£28,900	£28,000	
Blind persons allowance	£2,390	£2,320	
Rent a room limit	£7,500	£7,500	
Savings allowance	£1,000	£1,000	5
Trading income	£1,000	£1,000	5
Property income	£1,000	£1,000	5

- 1.** Reduced by £1 for every £2 of income over £100,000.
- 2.** Reduced to Basic personal allowance by £1 for every £2 over income limit.
- 3.** Available to persons born before 6 April 1935. Relief limited to 10%. Reduced to a minimum allowance by £1 for every £2 over income limit. Apply personal allowance reduction first.
- 4.** Non-residents may not be entitled to personal allowances, in certain circumstances
- 5.** £500 for higher rate and £nil for additional rate taxpayers.

**Note:** High income child benefit charge: 1% of the benefit per £100 of adjusted net income over £50,000; 100% of the benefit when adjusted net income is over £60,000.

## INCOME TAX RATES

	2018/19	Rate	2017/18	Rate	Note
<b>Individuals</b>					
Starting rate	£1 – £5,000	20%	£1 – 5,000	20%	1
Basic rate	£5,001 – £34,000	20%	£5,001 – 33,500	20%	2,3
Higher rate	£34,001 –£150,000	40%	£33,501 – 150,000	40%	2
Additional rate	Over £150,000	45%	Over £150,000	45%	2
<b>Trusts</b>					
Standard rate	£1 – 1,000	20%	£1 – 1,000	20%	2
Trust rate	Over £1,000	45%	Over £1,000	45%	2

**1.** Non-dividend savings income.

**2.** Above £2,000 (2017/18: £5,000) dividend allowance is introduced (effectively a 0% rate). Above £2,000 dividends will be taxed at 7.5% (for basic and standard rate taxpayers), 32.5% (for higher rate taxpayers) and 38.1% (for additional and trust rate taxpayers).

**3.** Gift Aid: basic rate band increased by gross gift.

## INHERITANCE TAX

	2018/19	2017/18	Note
Nil rate band £1 - 325,000	0%	0%	1
Over £325,000	40%	40%	2,3
Main exemptions:		Gifts on marriage:	
Annual gifts per donor	£3,000	Parent	£5,000
Small gifts per donor	£250	Grandparent/ancestor	£2,500
Normal expenditure out of income	Exempt	Other	£1,000

- 1.** Nil rate band for estate of surviving spouse is increased by the percentage of the nil rate band unutilised by the predeceased spouse. Additional nil rate band for main residence of £125,000 (2017/18: £100,000).
- 2.** Some lifetime gifts are taxed at 20%.
- 3.** Tax rate reduced to 36% where 10% or more of net chargeable estate is left to charity.



## CAPITAL GAINS TAX

	2018/19	2017/18
Annual exemption:		
Individuals	£11,700	£11,300
Trusts	£5,850	£5,650
Entrepreneurs relief: Maximum lifetime allowance	£10m	£10m
Individuals and trusts:		
Basic and starting rate taxpayers	10%	10%
Higher and additional rate taxpayers	20%	20%
Trusts and personal representatives	20%	20%
Rate where entrepreneurs'/ investors' relief applies	10%	10%

Supplement of 8% on capital gains on residential property

## PENSION CONTRIBUTIONS

	2018/19	2017/18	Note
Annual allowance	£40,000	£40,000	1
Lifetime allowance	£1,030,000	£1m	

**1.** Up to the lower of 100% of earnings or the maximum contribution. Maximum contribution is the annual allowance plus unutilised allowances from the three previous years. Up to £3,600 (2017/18: £3,600) may be contributed irrespective of earnings. For 2018/19 annual allowance reduced by £1 for every £2 income over £150,000 to a minimum of £10,000, and to £10,000 maximum if certain pension drawings made.

## NATIONAL INSURANCE CONTRIBUTIONS

### Class 1

Employer		Employee	
Earnings per week	Rate payable	Earnings per week	Rate payable
£0.01 - £162.00	Nil	£0.01 - £162.00	Nil
£162.01 - £892.00	13.8%	£162.01 - £892.00	12%
Over £892.00	13.8%	Over £892.00	2%
<b>Class 1A and 1B (employers only)</b>	13.8%		
<b>Class 2 (self employed)</b>			
	£2.95 per week (Small earnings exception £6,205)		
<b>Class 3 (voluntary)</b>			
	£14.65 per week		
<b>Class 4 (self- employed)</b>			
	Profits up to £8,424		0%
	Profits from £8,424 to £46,350		9%
	Profits above £46,350 per annum		2%

**Notes:** The first £3,000 (2017/18 £3,000) of employer's liability relieved by the employment allowance. No employer's NIC for employees aged under 21 (and apprentices up to age 25) on earnings up to £892 per week (the Upper Earnings Limit).

## INDIVIDUAL SAVINGS ACCOUNTS

	2018/19	2017/18
Cash and shares combined limit	£20,000	£20,000
Junior ISA	£4,260	£4,128
Lifetime ISA	£4,000	£4,000

## TAX EFFICIENT SAVINGS AND INVESTMENTS

Maximum investment	2018/19	2017/18	Note
Seed enterprise investment scheme (SEIS)	£100,000	£100,000	1
Venture capital trust (VCTs)	£200,000	£200,000	2
Enterprise investment scheme (EIS)	£1m	£1m	2
Social investment tax relief	£1m	£1m	2

1. Income tax relief at 50%.
2. Income tax relief at 30%.
3. £1.5m for enterprises up to 7 years old.
4. From April 6 2018 up to £2m for "knowledge - intensive" companies.
5. Capital gains tax deferral on gains reinvested in EIS and SEIS qualifying investments.



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