

INCOME TAX**Allowances and reliefs**

	2008/09	2007/08
	£	£
Personal allowance	6,035	5,225
Married/civil partners' allowance*	2,540**	2,440**
Child tax credit***		
Family element	545	545
Family element baby addition	545	545
Child element (per child)	2,085	1,845
Age relief 65-74		
Personal allowance	9,030	7,550
Married/civil partners' allowance*	6,535**	6,285**
Age relief 75 and over		
Personal allowance	9,180	7,690
Married/civil partners' allowance*	6,625	6,365
Age relief reduced (subject to minima) by half for income over	21,800	20,900

* Relief restricted to 10%.

** Only available if either claimant born before 6 April 1935.

*** Child tax credit restricted according to income levels.

**Rates of Income Tax
2008/09**

	On first	Next	Above
	£2,320	£32,480	£34,800
Earnings, pensions and property	20%	20%	40%
Savings	10%	20%	40%
Dividends	10%	10%	32.5%

2007/08

	On first	Next	Above
	£2,230	£32,370	£34,600
Earnings, pensions and property income	10%	22%	40%
Savings	10%	20%	40%
Dividends	10%	10%	32.5%

Settlements

	2008/09	2007/08
Standard rate band generally	£1,000	£1,000
Standard rate	20%	22%
Rate applicable for accumulation and discretionary trusts	40%/32.5%*	40%/32.5%*

*Dividend income (and other distributions) will be taxed at 32.5% with a tax credit of 10% for UK company dividends.

Non-domicile charge 2008/09

Charge for adult non-UK domiciliary after UK residence in 7 or more of the previous 10 tax years: £30,000

Termination payments on cessation of employment

Exemption £30,000, unless contractually entitled to payment. Certain ex-gratia payments made on death or retirement do not qualify for exemption.

Tax-free mileage rates**Vehicle****2008/09 and 2007/08
(per mile)**

Cars/Vans	40p for first 10,000 miles 25p above 10,000 miles
Motorcycles	24p
Cycles	20p
Passengers	5p per passenger

Car and fuel benefits 2008/09

Car - relevant % of list price when new up to £80,000

Fuel - relevant % of £16,900

g/km of CO₂	Petrol or pre- 2006 Euro IV diesel engine	Other diesel engines	Hybrid petrol/ electric engines %	E85, LPG or dual LPG and petrol*
	%	%		%
120 or less	10	13	10	10
121-139	15	18	12	13
140-144	16	19	13	14
145-149	17	20	14	15
150-154	18	21	15	16
155-159	19	22	16	17
160-164	20	23	17	18
165-169	21	24	18	19
170-174	22	25	19	20
175-179	23	26	20	21
180-184	24	27	21	22
185-189	25	28	22	23
190-194	26	29	23	24
195-199	27	30	24	25
200-204	28	31	25	26
205-209	29	32	26	27
210-214	30	33	27	28
215-219	31	34	28	29
220-224	32	35	29	30
225-229	33	35	30	31
230-234	34	35	31	32
235 & over	35	35	32	33

These figures apply for cars registered on or after 1 January 1998. To check the emissions figures for a particular vehicle visit www.smm.co.uk/co2/co2search.cfm. The exact CO₂ figures are rounded down to the lower 5g/km for cars with emissions of 125g/km or more.

*The percentage of list price applies to cars manufactured or converted before type approval. The petrol scale applies to LPG/petrol cars converted after type approval, but the cost of conversion is disregarded.

For electric-only cars, the rate is 9%.

Euro IV diesel cars registered before 1/1/06 are treated as petrol cars. Euro IV diesel cars from 2006 are treated as other diesels.

Vans - for private use

	2008/09	2007/08
Chargeable amounts	£3,000	£3,000
Fuel scale charge	£500	£500

STAMP DUTIES

Shares (except gifts)	0.5%
Stamp Duty Land Tax	
Exemption	
Residential property	£0 to £175,000
Non-residential property	£0 to £150,000
Rates where exemption is exceeded or does not apply	
- to £250,000	1%
- £250,001 to £500,000	3%
- £500,000+	4%

2008/09 CAPITAL ALLOWANCES

Writing down allowances	Rate
Plant/machinery (long-life, for annual expenditure over £100,000)	10%*
Plant/machinery (other)	20%*
Integral features of buildings	10%*
Industrial buildings	3%**
Agricultural buildings	3%**
Motor cars: CO2 emissions of more than 110g/km	20%†
* Reducing balance.	
** Straight line, phased out by April 2011.	
† Reducing balance, maximum allowance £3,000	

First year/Initial allowances	Rate
Annual investment allowance up to £50,000 pa plant/machinery	100%
Approved energy/water efficient	100%
Research and development	100%
Qualifying flat conversions & business premises renovations	100%
Motor cars: CO2 emissions of 110g/km or less	100%

CAPITAL GAINS TAX**Annual exemptions**

	2008/09	2007/08
Individuals	£9,600	£9,200
Trusts	£4,800	£4,600

Rates

Individuals	18%	10%, 20% or 40%
Trusts	18%	40%

Entrepreneurs' relief 2008/09:

4/9ths of gain (effective tax rate of 10%). Lifetime limit: £1,000,000.

For trading businesses & companies (minimum 5% employee/director shareholding/voting rights) held for one year or more.

Taper relief 2007/08

The percentage of gain chargeable depends on the type of asset and the number of complete years it has been held since 6 April 1998.

Number of years	Business Asset %	Non-business Asset %*
0	100	100
1	50	100
2	25	100
3	25	95
4	25	90
5	25	85
6	25	80
7	25	75
8	25	70
9	25	65
10	25	60

*Bonus year for assets owned before 17/3/1998.

CORPORATION TAX

Profits £	Effective Rate to 31.03.09	Effective Rate to 31.03.08
0-300,000	21%	20%
300,001-1,500,000	29.75%	32.5%
1,500,001 and over	28%	30%

TAX-EFFICIENT INVESTMENTS**Enterprise Investment Scheme and Venture Capital Trusts**

	EIS	VCT
Income tax relief	20%	30%
Maximum investment	£500,000	£200,000
Minimum investment	£500	None

Individual Savings Account**2008/09**

Component	Maximum Investment
Cash	£3,600
Stocks & shares	balance to £7,200

2007/08

Component	Maximum Investment	
	Mini-ISA	Maxi-ISA
Cash	£3,000	£3,000
Stocks & shares	£4,000	balance to £7,000

16 and 17 year olds may have a cash ISA.

2008/09 NATIONAL INSURANCE CONTRIBUTIONS**Class I employed**

Employees	Contracted in	Contracted out
First £90.00 per week	0%	0%
Next £15.00 per week	*0%	*1.6% rebate
Next £665.00 per week	11%	9.4%
Above £770.00 per week	1%	1%

Employers

First £90.00 per week	0%	0%
Next £15.00 per week	0%	**1.4% rebate
Next £665.00 per week	12.8%	**11.4%
Above £770.00 per week	12.8%	**12.8%

* Treated as paid Class I NIC.

** For money-purchase occupational schemes only. The corresponding rates for contracted out salary-related occupational schemes are 3.7% rebate, 9.1% and 12.8%.

- Class IA** Employers on benefits in kind 12.8%.
- Class IB** Employers on PAYE settlement agreements 12.8%.
- Class II** Self-employed £2.30 per week.
Exemption available if net earnings £4,825 or less.
- Class III** Voluntary rate of £8.10 per week.
- Class IV** Self-employed 8% of net profits between £5,435 and £40,040 (net profits above £40,040: 1%).

PENSION INFORMATION	2008/09	2007/08
Lifetime allowance*	£1,650,000	£1,600,000
Annual allowance	£235,000	£225,000
Lifetime allowance charge	55% if excess drawn as cash 25% if excess drawn as income	
Annual allowance charge	40% of excess	
Max. pension commencement lump sum*	25% of pension benefit value	
Max. relievable personal contribution	100% relevant UK earnings or £3,600 if greater	

* Subject to transitional protection for excess amount.

VAT

	from 1 April 2008	from 1 April 2007
Standard rate	17.5%	17.5%
Reduced rate	5%	5%
Annual turnover limits		
Registration	£67,000	£64,000
Deregistration	£65,000	£62,000
Cash accounting	£1,350,000	£1,350,000
Annual accounting	£1,350,000	£1,350,000
Flat rate scheme	£150,000	£150,000
VAT fraction	Standard rate 7/47 Reduced rate 1/21	Standard rate 7/47 Reduced rate 1/21

INHERITANCE TAX

Agricultural property relief

Transfers with vacant possession (or right to obtain within 24 months)	100%
Land let on a tenancy on or after 1 September 1995	100%
Most other cases	50%

Business property relief

Unincorporated businesses	100%
Unquoted shares	100%
Unquoted securities (controlling holding)	100%
Quoted shares (controlling holding)	50%
Land, buildings, machinery or plant used by qualifying business	50%

Exemptions

Annual exemption	£3,000
Small gifts to same person	£250
Marriage/civil partnership gifts made by:	
- parent	£5,000
- grandparent	£2,500
- other person	£1,000

Exemption also applies in the cases of:

- normal expenditure out of income.
- gifts to UK charities and qualifying political parties.
- gifts between spouses except where it is a gift from a UK domiciled spouse to a non-UK domiciled spouse, where only £55,000 is exempt.

Rates

	Gross rate of tax	
	Transfers on death	Lifetime transfers
Total taxable estate & gifts		
On or after 6 April 2008		
£0 - £312,000	Nil	Nil
Excess	40%	20%
On or after 6 April 2007		
£0 - £300,000	Nil	Nil
Excess	40%	20%

Nil rate band transferability

On the death of a surviving spouse/civil partner after 8 October 2007, their legal personal representatives may claim any unused proportion of the nil rate band of the first spouse/civil partner to die (regardless of their date of death). Maximum claim is 100% of the nil rate band.

Transfers within 7 years of death

Inheritance tax is not generally chargeable on lifetime transfers. Lifetime gifts into trusts (other than bare trusts) and certain capital payments out of such trusts are taxed at lifetime rates. Transfers on or within 7 years of death are liable to tax at death rates, subject to the following reductions:

Years between gift & death	% of full charge
0 - 3	100
3 - 4	80
4 - 5	60
5 - 6	40
6 - 7	20

Note:

This Tax Card has been prepared in the light of the provisions of the Finance Act 2008. Tax law is very complex. In seeking to summarise the rules and rates on this card, it has been necessary to omit simplify some of the provisions. Please remember that, in planning your affairs, you should always seek professional advice.