

TAXFAX
2015/2016

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Chartered Accountants

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TAXFAX
2015/2016

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	2015/2016	2014/2015
Personal allowance		
Born after 5 April 1948	£10,600	£10,000
Born 6 April 1938 to 5 April 1948	£10,600	£10,500
Born before 6 April 1938	£10,660	£10,660
From 6 April 2015, 10% of the personal allowance can be transferred between spouses/civil partners where neither partner is a higher rate tax payer		
Married couple's/civil partner's allowance (relief at 10%)		
At least one partner born before 6 April 1935	£8,355	£8,165
Reduced where income exceeds age related income limit; subject to absolute minimum amount	£3,220	£3,140
Age allowances for those born before 6 April 1938 reduced by £1 for each £2 of income over *(to a minimum equal to the personal allowance for those born after 5 April 1938)*	£27,700	£27,000
Income limit for personal allowance *(personal allowance reduced by £1 for each £2 of income over limit irrespective of date of birth)*	£100,000	£100,000
Blind person's allowance	£2,290	£2,230
Rent-a-room relief - maximum	£4,250	£4,250
Maximum 'golden handshake'	£30,000	£30,000

Charitable giving

A cash donation made under a gift aid declaration is grossed up by 20/80 with the charity receiving the difference from Her Majesty's Revenue & Customs ("HMRC") The donor can claim tax relief at their marginal rate of tax on the grossed up amount

Payroll giving receives 100% tax relief upfront

Gifts of quoted shares/real property receive 100% income tax relief and exemption from capital gains tax

	Dividends*	Savings	Other
£1 - £31,785	10%	20%**	20%
(£1 - £31,865)	(10%)	(20%)**	(20%)
£31,786 - £150,000	32.5%	40%	40%
(£31,866 - £150,000)	(32.5%)	(40%)	(40%)
Over £150,000	37.5%	45%	45%
(Over £150,000)	(37.5%)	(45%)	(45%)

* *Dividends qualify for a 1/9th non-repayable tax credit when paid by a UK company or certain qualifying non-UK companies*

** *0% up to £5,000 (10% up to £2,880). If an individual's taxable non-savings income is above this limit, the 0% rate does not apply*

Generally other income is treated as the lowest slice of total income, followed by savings as the next slice and dividends as the top slice

Child benefit - a tax charge applies to claw back child benefit where one income in a household exceeds £50,000 (full claw back by £60,000)

NATIONAL INSURANCE CONTRIBUTIONS ("NIC") 2015/2016 (2014/2015)

Class 1 primary employees	2015/2016	2014/2015
Total weekly earnings - contracted in		
up to £155 (£153)	nil	nil
over £155 to £815 (£153 to £805)	12%	12%
over £815 (£805) *on excess*	2%	2%
Class 1 secondary employers		
Total weekly earnings - contracted in		
up to £156 (£153)	nil	nil
over £156 (£153)	13.8%	13.8%

Contracted out rates and bands for employer and employee NICs differ

Class 1A employers only	13.8% (13.8%) on taxable benefits
Class 1B employers only	13.8% (13.8%) on amount in PAYE settlement agreement and income tax thereon
Class 2 flat rate for self employed	£2.80 p.w. if earning over £5,965 p.a. (£2.75 p.w. £5,885 p.a.)

Collected through self-assessment from 6 April 2015

Class 3 voluntary	£14.10 p.w. (£13.90 p.w.)
Class 4 self employed	9% on profits over £8,060 to £42,385 (9% on profits over £7,956 to £41,865) and a further 2% on profits above £42,385 (2% on profits above £41,865)

Employment allowance - eligible businesses and charities can claim a reduction of up to £2,000 of their employer contributions

NIC incentive - from 6 April 2015 Class 1 secondary NIC will not be due by employers with employees under the age of 21 who earn up to £815 per week

Rates	2015/2016	2014/2015
Individuals		
Where total income and taxable gains after all allowable deductions (including personal allowance)		
are up to £31,785 (£31,865)	**18%**	18%
are above £31,785 (£31,865)	**28%**	28%
Trusts		
Where settlor and/or settlor's minor child/ spouse/civil partner retains interest	**As settlor's gain**	As settlor's gain
Other trusts and personal representatives	**28%**	28%
Trusts for the vulnerable (subject to election)	**As beneficiary's gain**	As beneficiary's gain

Married couples/civil partnerships (unless permanently separated)
Transfers between spouses/civil partners give rise to no gain and no loss and the recipient is deemed to have acquired the asset at the original cost

Exemptions		
Individuals	**£11,100**	£11,000
Trusts	**£5,550**	£5,500

Exempt assets include cars, foreign currency and chattels worth less than £6,000

Main residence relief
The final 18 months of ownership qualifies for exemption where the residence has been a person's main home at some time, even if not occupied

From 6 April 2015 individuals, or their spouse/civil partner, who claim main residence relief on a property which is not situated in the country where they are tax resident will need to stay in that property for 90 midnights per year for it to be eligible for relief

Non-residents CGT
From 6 April 2015 non-UK residents will be subject to CGT on disposals of UK residential property, on the increase in the value from 6 April 2015 only

Entrepreneurs' relief		
'Lifetime' limit	**£10,000,000**	£10,000,000
CGT rate	**10%**	10%

Death rate	2015/2016	2014/2015
0% individuals	£1-£325,000	£1-£325,000
40% individuals	over £325,000	over £325,000

(36% if more than 10% of the estate is gifted to charity)

For married couples/civil partners any unused "nil rate" band remaining on the first death is available to the survivor and utilised on their death

Lifetime gifts;

- to an individual are initially not chargeable and fully exempt after 7 years
- to relevant property trusts; excess over the available nil rate band taxable at 20%

Death within 7 years of gift - tax on the value gifted is payable at 40%, reduced as follows with credit given for any IHT paid on lifetime gift:

Years	0-3	3-4	4-5	5-6	6-7
Effective tax rate	40%	32%	24%	16%	8%

Relevant Property Trusts are subject to a charge of 6% on assets in excess of the available nil rate band at each tenth anniversary of creation of the trust and pro rata on exit at any other time. Certain trusts established on death and trusts for disabled persons are not liable to these charges

Main exemptions

Spouse/civil partner - both UK domiciled (or transferor non domiciled)		unlimited
Gift from UK domiciled to non-UK domiciled spouse/civil partner		£325,000
(An election is available for the non-domiciled spouse/civil partner to be treated as UK domiciled for IHT purposes)		
Total annual gifts per donor		£3,000
Small gifts per donee not exceeding		£250
Marriage/civil partnership gifts by	- parent	£5,000
	- other 'relative'	£2,500
	- other	£1,000
Regular gifts out of surplus income		unlimited
Charities including EU, Norway and Iceland charities, and political parties in the UK		unlimited

Business and agricultural property (UK and the EEA)

100% relief on the following after 2 years:

- Business assets of a sole proprietor
- Interests in a business partnership
- Shares in unlisted companies/securities in unlisted companies yielding control

100% relief on the following after 7 years:

- Land and buildings occupied for agriculture and let post-1995

50% relief on the following:

- Controlling shareholdings in listed companies
- Land, buildings, plant owned by a controlling shareholder and used by company
- Land, buildings, plant owned by a partner and used in their partnership business
- Land and buildings occupied for agriculture under a pre-1995 tenancy

Note: Investment businesses do not qualify for IHT relief (e.g. buy-to-let)

Payment and filing date

6 months after the end of the month of the death/chargeable transfer

	Dividends	Other
Interest in possession trusts and up to £1,000 for discretionary and accumulation & maintenance trusts	10%	20%
On income for non interest in possession trusts over £1,000	37.5%	45%

Trusts where the settlor or spouse/civil partner retains an interest is taxed as the income of the settlor

Trusts for the vulnerable can be taxed as beneficiary's income

CORPORATION TAX

	Year to 31 March	
	2016	2015
Full rate	**20%**	21%
Intermediate rate (profits £300,001 to £1.5m)	**n/a**	21.25%
Small profits rate (profits to £300,000)	**20%**	20%

- Large companies are entitled to a tax deduction equivalent to 130% of their actual expenditure on qualifying R&D. Other businesses entitled to 230% with the ability to surrender losses created by the enhanced deduction for a payable tax credit of 14.5% of the losses surrendered
- Large companies may claim a repayable above the line credit, as an alternative to the enhanced deduction of 130%. This credit is 11% of qualifying expenditure and is taxable
- Companies can apply a rate of 12% to profits earned from qualifying patents. The rate is reducing on an annual basis to 10% for accounting periods commencing on or after 1 April 2017

- Plant and machinery - 18% (reducing balance)
  If working life of 25 years or more - 8% (reducing balance)
  Fixtures integral to buildings - 8% (reducing balance)
- Annual investment allowance 100% up to £500,000 per annum (excluding cars) up to 31 December 2015 (amount per annum thereafter to be confirmed)
- 100% for: designated energy saving plant and machinery; scientific research; plant and machinery in designated enterprise zones; energy efficient technologies and low emission cars; renovation of business premises in disadvantaged areas; natural gas; biogas; hydrogen refuelling equipment and new zero emission goods vehicles
- Acquisition of intangibles (goodwill, intellectual property, etc.) allowances in line with accounting depreciation (min. 5% p.a.)
- New cars (other than low emission cars):
  - Up to 95g/km of CO_2/km: 100%
  - More than 95g/km to 130g/km of CO_2/km: 18% reducing balance
  - More than 130g/km of CO_2/km: 8% reducing balance
- For leased cars with CO_2 emissions above 130g/km; 15% of lease charges are disallowed

Standard rate	20%
Reduced rate	5%

VAT thresholds

If annual taxable turnover less than:

£82,000 from 1 April 2015 - registration not necessary for UK established businesses
£80,000 from 1 April 2015 - deregistration possible
£70,000 - distance selling into the UK (EU goods to private consumers)
£1,350,000 - eligible to use Cash Accounting scheme
£1,350,000 - eligible to use Annual Accounting scheme
£150,000 - eligible to use Flat Rate scheme

Car fuel scale charges (where there is private use of fuel)
Bands based on CO_2 emissions with VAT charges for a 3 month period of between £26 and £91.33

PROPERTY TAX 2015/2016 (2014/2015)

Annual Tax on Enveloped Dwellings ("ATED")

For properties already within the ATED regime (i.e. properties valued in April 2012 at over £2,000,000) the ATED period runs from 1 April to 31 March each year, and payment is due by 30 April at the beginning of each ATED period

For properties coming into the rules from 1 April 2015 (i.e. properties valued in April 2012 at £1,000,001 to £2,000,000) the deadline to file the first ATED return is 1 October 2015, and any tax must be paid by 31 October 2015. Thereafter the normal deadline rules will apply

The ATED is chargeable at a flat rate for each of the bands as follows:

Residential property value (£)	Annual charge (£)
Up to 1,000,000	0
1,000,001 - 2,000,000	7,000
2,000,001 - 5,000,000	23,350 (15,400)
5,000,001 - 10,000,000	54,450 (35,900)
10,000,001 - 20,000,000	109,050 (71,850)
Over 20,000,000	218,200 (143,750)

CGT at 28% will apply on any gain made on a disposal of UK residential property within the ATED rules. Where the property was purchased before 6 April 2013, the charge will apply only to that part of the gain that accrued from 6 April 2013

From April 2016 properties valued in April 2012 from £500,001 to £1m will be subject to the ATED at £3,500 and the ATED CGT rules will also apply

Exempt: All assets other than land, property, shares and interests in partnerships

Shares and securities:	0% up to £1,000 0.5% above £1,000
Special share arrangements:	1.5%

Up to 3 December 2014 the SDLT rates were:

Rate	Residential (purchase price) £	Non-residential (purchase price) £
0%	Up to 125,000	Up to 150,000
1%	125,001 to 250,000	150,001 to 250,000
3%	250,001 to 500,000	250,001 to 500,000
4%	500,001 to 1,000,000	Over 500,000
5%	1,000,001 to 2,000,000	N/A
7%	Over 2,000,000	N/A

From 4 December 2014 the SDLT rates are:

Rate*	Residential (purchase price) £	Rate**	Non-residential (purchase price) £
0%	Up to 125,000	0%	Up to 150,000
2%	125,001 to 250,000	1%	150,001 to 250,000
5%	250,001 to 925,000	3%	250,001 to 500,000
10%	925,001 to 1,500,000	4%	Over 500,000
12%	Over 1,500,000		

A 15% rate may apply when a residential property costing more than £500,000 is acquired by certain non-natural persons on or after 20 March 2014 (previously more than £2,000,000)

** Tax rate charged on part of property price within each band*

*** Tax rate applicable on whole purchase price*

General rule
- Amount assessable is cost (including VAT) to employer

Exemptions
- Employee relocation expenses up to £8,000
- Incidental expenses of business trips per night up to £5 in the UK / £10 outside the UK
- Staff parties not exceeding £150 per employee p.a.
- One mobile phone per employee
- Benefit of occupying overseas holiday home owned by single purpose company
- Up to £500 of recommended medical treatment from October 2014
- Qualifying trivial BIK costing up to £50 from 6 April 2015

Loans
- Up to £10,000 (£10,000): no benefit
- Over £10,000 (£10,000): taxable on deemed interest at 'official rate' on whole amount
- Special rules apply for some foreign currency loans

Living accommodation
- Greater of rateable value or rent and, if after 22 April 2009, premium for lease of 10 years or less paid by employer
- For accommodation where cost to employer was over £75,000, rateable value plus 'official rate' on excess of cost to employer over £75,000

'Official rate'
- 3.25% up to 5 April 2015
- 3.00% from 6 April 2015

Private use of company car: scale benefits
- Benefit based on 5% to 35% of list price, dependent on CO_2 emissions
- List price includes certain accessories, reduced for capital contributions up to £5,000
- Supplement of 3% for most diesel cars, subject to a maximum charge of 35%
- Electric cars 5% (0%) charge
- Cars without approved CO_2 emissions are taxed according to engine size
- Special rules apply to LPG and dual fuel cars, cars over 15 years old at the end of the tax year and to the value of accessories

Car fuel benefit
The fuel benefit is a percentage of £22,100 (£21,700). The percentage is the same as used for the company car benefit

Private use of company vans
Vans available for private use: taxable benefit = £3,150 (£3,090)
Further charge of £594 (£581) for private use of fuel
Zero emission vans benefit charge of 20% from 6 April 2015

Employee's own car	Rate per mile
Annual business mileage up to 10,000 miles	45p (45p)
Each additional mile over 10,000 miles	25p (25p)

EMPLOYEE SHARE INCENTIVES 2015/2016 (2014/2015)

Share incentive plan - up to £3,600 of free shares p.a. plus 2 matching shares for each partnership share bought by employee (maximum free and matching shares £7,200 p.a.). Open to all employees on similar terms. No tax or NI charges on grant or exercise if retained in plan for 5 years. Increase in value after withdrawal from plan charged to CGT

Enterprise management incentives ("EMI") - £250,000 of share options offered per employee. Currently the maximum is £3m per company. No tax or NI on grant or exercise unless granted at undervalue. Increase in value on disposal chargeable to CGT

Broadly, EMI shares acquired after 6 April 2012 may qualify for Entrepreneurs' Relief without the requirement for a 5% holding; the 12 month ownership period will commence on grant rather than exercise date

Other approved share incentive schemes also exist. For Save As You Earn the monthly limit that employees can save and apply towards the purchase of shares is £500

Unapproved share option schemes - no limit, full discretion over qualifying employees. No tax or NI on grant of options lasting 10 years or less. Income tax charge on value when exercised plus (in certain circumstances) NI charge on exercise of options

Maximum personal contributions 100% of earnings subject to a limit of £40,000 (£40,000) when aggregated with employer pension contributions

To the extent that less than £50,000 was paid in 2012/13 and 2013/14, or £40,000 in 2014/15, the unused allowance from these 3 years can be carried forward and used in 2015/16

Those who "flexi-access" their defined contributions pension funds are subject to the money purchase annual allowance of £10,000 (with no carry forward) in respect of contributions to defined contribution pension schemes

Up to £3,600 p.a. gross can be paid into pensions irrespective of earnings to age 75

Subject to any registration of protected pension funds, aggregate retirement benefits in excess of the Lifetime Allowance of £1.25 million may be subject to the Lifetime Allowance Charge of 55% of the surplus benefit

TAX SAVING INVESTMENTS 2015/2016 (2014/2015)

Subscriptions for shares in qualifying Enterprise Investment Scheme ("EIS") companies, Seed Enterprise Investment Scheme ("SEIS") companies, Venture Capital Trust ("VCT") companies, and Social Investment Tax Relief ("SITR") enterprises benefit from the following tax reliefs:

	Income Tax Relief	CGT status on sale	CGT Deferral	Maximum qualifying investment	Holding period to retain tax relief
EIS	30%	Exempt	Yes	£1,000,000	3 years
SEIS	50%	Exempt	Up to 50% exempt	£100,000	3 years
VCT*	30%	Exempt	No	£200,000	5 years
SITR*	30%	Exempt	Yes	£1,000,000	3 years

** Investors pay no tax on dividends received*

ISA

With effect from 6 April 2015 the annual ISA allowance increased to £15,240 (previously £15,000 from 1 July 2014). The whole allowance can be invested in cash, stocks and shares, or any combination thereof. From Autumn 2015, ISAs will be reformed so that withdrawals that are paid back in do not count towards the annual limit as long as the repayment is made in the same financial year as the withdrawal

Junior ISAs

Junior ISAs are available for children who live in the UK and are not entitled to a Child Trust Fund. With effect from 6 April 2015 the annual Junior ISA allowance increased to £4,080 (previously £4,000 from 1 July 2014). The child can have both a cash and a stocks and shares Junior ISA, but the maximum amount invested must not exceed the annual allowance

Help to Buy ISA

From Autumn 2015, first time buyers over 16 will be able to open a Help to Buy ISA with a maximum initial deposit of £1,000. There is no minimum monthly deposit, but the maximum monthly amount that can be saved is £200. For every £1 saved the Government will boost the savings by 25%, up to a maximum of £3,000 per person. The bonus will be paid when the account holder purchases their first home in the UK, up to the value of £450,000 in London and £250,000 outside London

APRIL 2015

Sunday 5
End of 2014/2015 tax year

Monday 6
Beginning of 2015/16 tax year

Tuesday 14
Payment of any tax due in respect of CT61 for quarter to 31 March 2015
Company CT61 return for the quarter to 31 March due

Sunday 19
PAYE/NIC due for month to 5 April 2015 (interest will run on any unpaid PAYE/NIC for the tax year 2014/2015)

Thursday 30
Deadline for the submission of the ATED returns and payment of the tax on properties valued at over £2,000,000

MAY 2015

Friday 1
£10 daily penalties start for late submission of 2013/14 tax returns for up to 90 days (i.e. £900 maximum)

Saturday 2
Deadline for submitting P46 (car) for employees who had relevant car changes during the quarter to 5 April 2015

Tuesday 19
For non-RTI employers, deadline for employers' year end PAYE returns (P35, P14, P60) to be submitted

Tuesday 19
PAYE/NIC due for month 5 May 2015

Sunday 31
Deadline for copies of forms P60 to be issued to employees

JUNE 2015

Friday 19
PAYE/NIC due for month to 5 June 2015

Tuesday 30
VAT reclaim deadline for submission of all claims to European VAT authorities

JULY 2015

Monday 6
Deadline for forms P11D and P9D to be submitted to HM Revenue & Customs (HMRC) and copies to be issued to employees concerned

Monday 6
Deadline for employers to report share incentives (Form 42)

Tuesday 14
Payment of any tax due in respect of CT61 for quarter to 30 June 2015
Company CT61 return for the quarter to 30 June due

Sunday 19
PAYE/NIC due for month to 5 July 2015
Also, Class 1A NIC due in respect of the year 2014/2015

JULY 2015

Friday 31
Second payment on account of Income Tax for 2014/2015 tax year due
Second 5% penalty surcharge on any 2013/2014 outstanding tax due on 31 January 2015 still remaining unpaid

Friday 31
Late filing penalty of 5% of tax due (minimum of £300) if 2013/2014 tax return due on 31 January 2015 still outstanding

AUGUST 2015

Saturday 1
Deadline for submitting P46 (car) for employees who had relevant car changes during the quarter to 5 July 2015

Wednesday 19
PAYE/NIC due for month to 5 August 2015

SEPTEMBER 2015

Saturday 19
PAYE/NIC due for month to 5 September 2015

OCTOBER 2015

Thursday 1
Deadline for the submission of the ATED Return for properties valued from £1,000,001 to £2,000,000

Monday 5
Deadline for notifying HMRC of new sources of taxable income or gains if no tax return has been issued

Wednesday 14
Payment of any tax due in respect of CT61 for quarter to 30 September 2015
Company CT61 return for the quarter to 30 September due

Monday 19
Deadline to pay PAYE settlement agreement liability
PAYE/NIC due for month to 5 October 2015

Saturday 31
Deadline for the payment of the ATED liability on properties valued from £1,000,001 to £2,000,000

Saturday 31
Deadline for submitting 2014/2015 Self Assessment return by post and if you require HMRC to compute your tax liability

NOVEMBER 2015

Sunday 1
Deadline for submitting P46 (car) for employees who had relevant car changes during the quarter to 5 October 2015

Thursday 19
PAYE/NIC due for month to 5 November 2015

Monday 30
Deadline for submission of all relevant documentation to BRAL VAT (non EU traders)

DECEMBER 2015

To be confirmed
Autumn Statement

Saturday 19
PAYE/NIC due for month to 5 December 2015

Thursday 31
Deadline for submitting 2014/2015 Self Assessment return if tax underpaid is to be collected by adjustment to your PAYE code (for underpayments up to £15,000 only)

JANUARY 2016

Thursday 14
Payment of any tax due in respect of CT61 for the quarter to 31 December 2015

Tuesday 19
PAYE/NIC due for the month to 5 January 2016

Sunday 31
Deadline for electronically submitting 2014/2015 Self Assessment return on line (£100 penalty if your return is late)

Sunday 31
Balance of 2014/2015 Income Tax and Capital Gains Tax due, plus first payment on account for 2015/2016 tax year (interest will run on any payment due and not paid)

FEBRUARY 2016

Tuesday 2
Deadline for submitting P46 (car) for employees who had relevant car changes during the quarter to 5 January 2016

Friday 19
PAYE/NIC due for month to 5 February 2016

MARCH 2016

Wednesday 2nd
5% penalty surcharge on any 2014/2015 outstanding tax due on 31 January 2016 still remaining unpaid

Saturday 19
PAYE/NIC due for the month to 5 March 2016

To be confirmed
Budget day

APRIL 2016

Tuesday 5
End of 2015/2016 tax year

Wednesday 6
Beginning of 2016/2017 tax year

CONTACT

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