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Tax Tables 2010/2011

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1. Income Tax Rates

Each year, the rates of Income Tax are set in the annual budget. It is charged at increasing rates, depending on the amount of income an individual has and from where it has arisen.

2010/11		2009/10	
Rate %	Band £	Rate %	Band £
10	1-2,440 *	10	1-2,440 *
20	1-37,400	20	1-37,400
40	37,400 – 150,000	40	Over 37,400
50	Over 150,000**		

* The 10% starting rate is applied for savings income, applicable where non-savings income after allowances is under £2,440.

The 20% rate applied to income up to £37,400 in the current tax year is known as the **Basic Rate** and the 40% rate on income in excess of £37,400 is known as the **Higher Rate**. The 50% rate on income in excess of £150,000 is known as the **Additional rate**.

** Those with income in excess of £150,000 will be liable for tax at 42.5% on dividends

2. Personal Allowances

	2010/11 £	2009/10 £
Personal (Basic)*	6,475	6,475
Personal (age 65 – 74)	9,490	9,490
Personal (aged 75 and over)	9,640	9,640
Married / civil partners (minimum) at 10%*	2,670	2,540
Married / civil partners (age under 75) at 10%*	N/A	N/A
Married / civil partners (age 75 and over) at 10%*	6,965	6,965
Age related relief reduced by 50% of income over	22,900	22,900
<i>* where at least one spouse / civil partner was born before 6 April 1935</i>		
Rent-a-room	4,250	4,250
Blind Persons Allowance	1,890	1,890
Enterprise Investment Scheme relief limit at 20%	500,000	500,000
Venture Capital Trust relief limit at 30%	200,000	200,000

* The Personal Allowance will be reduced by £1 for every £2 where net income exceeds £100,000, and can be reduced to zero.

3. Child Tax Credit

	MAXIMUM AMOUNT 2010/11
Each child under 16	£2,300
Each qualifying young person	£2,300
Disabled child (additional to child element)	£2,715
Severely disabled child (addition)	£1,095
Family element (at least 1 qualifying adult)	£545
Baby (additional to family element for child under 1)	£545

A qualifying young person is a person aged under 20 in full-time non-advanced education or on an approved unwaged job-related training scheme. A family can only receive one family element and baby addition regardless of the number of children and are paid in full where income is not more than £50,000 – for couples this means the joint figure. Where income is in excess of £50,000 there is a reduction of 6.67p for every £1 of income above. This is approximately £1 for every £15 of income.

4. Working Tax Credit

	MAXIMUM IN 2010/11
Basic	£1,920
Second adult in family	£1,890
Lone parent	£1,890
30 hour element (where one person works at least 30 hours)	£790
Disability (for each disabled worker)	£2,570
Severe disability (for each disabled worker)	£1,095
Aged 50 plus and returning to work	£1,320
Age 50 plus, returning to work and working at least 30 hours	£1,965
Childcare: one child	Lower of 80% of eligible childcare costs and £175/week
Childcare: two or more children	Lower of 80% of eligible childcare costs and £300/week

All the elements of both child and working tax credit are tapered by reference to the claimant's circumstances. The maximum amounts payable are initially calculated without reference to income. A reduction is then made with reference to the amount of income. It is reduced by 39p for every £1 of income over £6,420. Families who receive income support, income-based jobseekers allowance and pension credit are automatically entitled to the full child tax credit without reference to income.

5. Company Cars

Car benefit:

Calculated as a percentage of the vehicles' CO2 emissions.

List price subject to upper limit of £80,000

CO2 emissions – grams per kilometre	Percentage charge	Maximum chargeable
120 or less	10%	£8,000
130	15%	£12,000
135	16%	£12,800
140	17%	£13,600
145	18%	£14,400
150	19%	£15,200
155	20%	£16,000
160	21%	£16,800
165	22%	£17,600
170	23%	£18,400
175	24%	£19,200
180	25%	£20,000
185	26%	£20,800
190	27%	£21,600
195	28%	£22,400
205	29%	£23,200
205	30%	£24,000
210	31%	£24,800
215	32%	£25,600
220	33%	£26,400
225	34%	£27,200
230 and over	35%	£28,000

Diesel cars are subject to an additional charge of 3%.

Fuel benefit:

Calculated as a percentage of £18,000.

Percentage used is from the above table.

Private Vehicles Used For Work:

Cars

On the first 10,000 business miles in tax year 40p per mile
Each business mile above 10,000 business miles 25p per mile

Motor Cycles

24p per mile

Bicycles

20p per mile

Bus journeys

5p per mile

6. National Insurance Contributions

Thresholds and limits

2010/11			
Class 1 Employee	Weekly £	Monthly £	Yearly £
Lower Earnings Limit (LEL)	97	421	5,044
Primary Contribution Threshold	110	476	5,715
Secondary Contribution Threshold	110	476	5,715
Upper Earnings Limit (UEL)	844	3,656	43,875
Upper Accruals Point (UAP)	770	3,337	40,040

Class 1 Employee Contributions 2010/11			
Total Earnings £ per week	Contracted-in rate %	Contracted-out rate %	
Up to 110.00 *	Nil	Nil	
110.01 – 770.00	11	9.4	
770.01 – 844.00	11	11	
Above 844.00	1	1	
Rebate on earnings between £97 and £110		1.6	

Class 1 Employer Contributions 2010/11			
Total Earnings £ per week	Contracted-in rate %	Contracted-out rate Final Salary %	Contracted-out rate Money Purchase %
Below 110.00 **	Nil	Nil	Nil
110.01 – 770.00	12.8	9.1	11.4
770.01 – 844.00	12.8	12.8	12.8
Above 844.00	12.8	12.8	12.8
Rebate on employee earnings between £97 and £110		3.7	1.4

* This is the primary threshold below which no NI contributions are payable. However, the lower earnings limit is £95 per week. This £95 to £110 band is a zero rate band introduced in order to protect lower earners' rights to contributory State benefits such as Basic State Pension.

** Secondary earnings threshold.

Reduced rate Class 1(married women):

Class 1:

Employee earnings/week	£110 - £844	4.85%
	Above £844	1%

Employer: Rates are the same as the contracted-out or not contracted-out rates.

Class 1A contributions:

Flat rate of 12.8%.

Maximum Class 1 contributions from multiple employments:

53 x £734 (£844 - £110) x 11% = £4,279.22

Class 2 (self-employed) Flat rate - £2.40/week, where earnings exceed £5,075 per annum

Higher rate Class 2: Flat rate - £3.05/week

Class 3 (voluntary) Flat rate - £12.05/week

Class 4 (self-employed) 8% on profits between £5,715 - £43,875 plus 1% on profits above £43,875

Annual Maximums:

Class 1 plus Class 2	£4,279.22
Class 2 plus Class 4	£3,180.00
Class 1, Class 2 and Class 4	£4,279.22

7. Capital Gains Tax

Exemptions		2010/11	2009/10
Individuals, estates etc		£10,100	£10,100
Trusts generally		£5,050	£5,050
Chattels proceeds (5/3 excess gain is taxable)		£6,000	£6,000
Rates	Individuals	18%	18%
	Trusts and estates	18%	18%

Entrepreneurs' Relief

Entrepreneur's Relief 2010/11

4/9ths of gain tax free (effective tax rate of 10%).

Lifetime limit eligible for relief: £2,000,000

For trading businesses and companies (minimum 5% employee shareholding) held for 1yr+

8. ISA Subscription Limits

Overall investment limit	£10,200
Cash ISA maximum	£5,100

9. Value Added Tax

Standard rate	17.5%
Reduced rate	5%
Zero-rate	0%
Annual registration limit	£70,000

10. Stamp Duty Land Tax

Property Value:	
Up to £125,000*	0%
£125,000 - £250,000	1%**
£250,000 - £500,000	3%
Over £500,000	4%

* £150,000 for non-residential property and residential property is disadvantaged areas

** Relief available for first-time buyers
Special rules apply for zero-carbon homes

11. Corporation Tax

Financial Year	2010 to 31/3/2011	2009 to 31/3/10
Full rate	28%	28%
Small companies rate	21%	21%
Small companies limit	£300,000	£300,000
Effective marginal rate	29.75%	29.75%
Upper marginal limit	£1,500,000	£1,500,000

Capital Allowances

Plant & machinery 100% annual investment allowance (first year) £100,000

Writing down allowance

Plant & machinery, patent rights, know-how (reducing balance) per annum 20%

Certain long-life assets, integral features of buildings (reducing balance) per annum 10%

Industrial buildings, hotels & agricultural buildings (straight line) 1%

Enterprise zone, commercial and industrial buildings 100%

Motor cars

CO2 not exceeding 110g/km 100%

CO2 between 111g/km and 160g/km 20%

CO2 exceeding 160g/km 10%

Research & Development

Capital expenditure 100%

12. Pension Contributions

Lifetime Allowance

2009/2010 £1.75 million

2010/2011 £1.8 million

Annual Allowance

2009/2010 £245,000

2010/2011 £255,000

Notional Earnings Cap

£123,600 – (For schemes that require post 1989 benefits to be still subject to a cap)

Annual allowance charge

40% member's tax charge on the amount of total pension input in excess of the annual allowance.

Lifetime allowance charge

55% of excess over lifetime allowance if taken as a lump sum.

25% of excess over lifetime allowance if taken in the form of income, which is subsequently taxed under PAYE.

13. Inheritance Tax

	2010/11	2009/10
Nil-rate band *	£325,000	£325,000
Rate of tax on excess	40%	40%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£55,000	£55,000

Taper relief:

Reduced tax charge on gifts within 7 years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20

Annual exempt gifts £3,000 per donor £250 per donee

* From 8 October 2007 up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the surviving spouse's/civil partner's death.

Business property relief:

100%

Interests in unincorporated businesses – sole traders and partnerships.
Shareholdings of any size in unquoted and AIM companies.

50%

Controlling shareholdings in fully listed companies.

Land, buildings, plant and machinery used wholly or mainly in connection with a company controlled by the transferor, or a partnership in which the transferor was a partner.

Agricultural relief:

100%

Owner occupied farms and farm tenancies.

50%

Interest of landlords in let farmlands.

The 50% relief is increased to 100% for land let under tenancies exceeding 12 months that started after 31 August 1995.

The information provided is based on our understanding of UK law and HMRC practice at the date of production, which may be subject to immediate change. Wizard Learning are not responsible for any arrangements entered into on the basis of the information in this document.