

Individual Savings Accounts

	Overall limit	Cash limit	Junior ISA limit
2012/13	£11,280	£5,640	£3,600
2011/12	£10,680	£5,340	£3,600

Venture Capital Schemes

	Investment limit	Income tax relief rate
Enterprise investment scheme	£1,000,000	30%
Venture capital trusts	£200,000	30%
Seed investment scheme	£100,000	50%

Value Added Tax

Standard rate	20%
Lower rate	5%
Registration level from 1 April 2012	£77,000 pa
Deregistration limit from 1 April 2012	£75,000 pa

VAT car fuel scale charges from 1 May 2012

CO ₂ emissions grams per km	Quarterly returns £	Monthly returns £
120	166	55
125	250	83
130	266	88
135	283	94
140	300	100
145	316	105
150	333	111
155	350	116
160	366	122
165	383	127
170	400	133
175	416	138
180	433	144
185	450	150
190	467	155
195	483	161
200	500	166
205	517	172
210	533	177
215	550	183
220	567	189
225	583	194

Capital Allowances

	Rate %
Dredging (straight-line basis)	
Writing-down allowance	4
Business premises renovation Initial allowance*	100
Flat conversions Initial allowance*	100
*Writing-down allowance for unrelieved expenditure (straight-line basis)	25
Know-how (reducing balance basis)	
Writing-down allowance	25
Mineral extraction (reducing balance basis)	
<i>Writing-down allowances</i>	
General	25
Acquisition of mineral asset	10

Patent rights

(reducing balance basis)	
Writing-down allowance	25

Plant and machinery

(reducing balance basis)	
Annual investment allowance (max £25,000)	100
<i>First-year allowances</i>	
Energy-saving or environmentally beneficial assets	100
New low-emission cars	100
New zero-emission goods vehicles	100
New assets for use in designated areas of enterprise zones	100
<i>Writing-down allowances</i>	
General	18
Cars (expenditure incurred on or after 1/6 April 2009 where CO ₂ emissions exceed 160g/km)	8
Special rate expenditure (including integral features and thermal insulation)	8
Long-life assets	8
Research and development Allowance	100

Registered Pension Schemes

Individual contributions

Maximum tax-relievable contributions are the higher of:

- 100% of taxable UK earnings; or
- £3,600 (where the scheme applies tax relief at source).

2012/13

Annual allowance	£50,000
Lifetime allowance	£1,500,000

2011/12

Annual allowance	£50,000
Lifetime allowance	£1,800,000

Any unused annual allowance can be carried forward for up to three years.

Tax Credits

Annual amounts 2012/13

	£
Child tax credit	
Family element	545
Lone parent (for each child)	2,690
Addition for disabled child	2,950
Severe disabled child enhancement	1,190

Working tax credit

Basic element	1,920
New parent and couple element	1,950
30-hour element	790
Disability element	2,790
Severe disability element	1,190
Childcare element (up to 70% of costs)	Weekly
maximum eligible cost (1 child)	175
maximum eligible cost (2 or more)	300

Income thresholds

First income threshold	6,420
eligible for child tax credit only	15,860
Withdrawal rate	41%
Income rise disregard	10,000
Income fall disregard	2,500

Tax Facts spring edition 2012



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Income Tax Allowances

	2012/13	2011/12
Personal allowance	£	£
general	8,105	7,475
income limit	100,000	100,000
aged 65 to 74 in tax year	10,500	9,940
aged 75 or over in tax year	10,660	10,090
age allowance income limit	25,400	24,000
minimum where income exceeds		
age limit (subject to general		
income limit)	8,105	7,475
Married couple's allowance¹ (relief at 10%)		
either partner born before 6.4.1935	7,705	7,295
age allowance income limit	25,400	24,000
minimum where income exceeds		
limit	2,960	2,800
Blind person's allowance	2,100	1,980

¹ Available for civil partners.

Income Tax Rates

Taxable Income	Rate
£	%
2012/13	
0 – 34,370	20
34,371 – 150,000	40
Over 150,000	50
2011/12	
0 – 35,000	20
35,001 – 150,000	40
Over 150,000	50

Savings income is generally treated as the highest part of total income. A 10% starting rate, for savings income only, applies to the extent that such income falls within the first £2,710 of taxable income (£2,560 for 2011/12). If taxable non-savings income exceeds this limit, the 10% rate does not apply. Income from **dividends** is taxed at 10% within the starting and basic rate bands, at 32.5% in the higher rate band and at 42.5% thereafter (these rates are applied to the dividend grossed-up by a tax credit of 1/9).

National Insurance Contributions

2012/13	Not contracted out	Contracted out
Class 1 (Earnings related)		
Employees		
<i>Weekly earnings</i>		
First £146	Nil	Nil
£146.01 – £770	12%	10.6%
£770.01 – £817	12%	12%
Over £817	2%	2%
Employers		
<i>Weekly earnings</i>		
First £144	Nil	Nil
£144.01 – £770	13.8%	10.4%
Over £770	13.8%	13.8%

Employees' rates are reduced to 5.85% for married women with valid certificates of election but the 2% rate above £817 still applies. Rates are nil for employees over state pensionable age. Normal employers' contributions are still payable.

Employers also receive a rebate of 3.4% for salary-related schemes on earnings from £107 to £144 per week. A rebate of 1.4% on earnings from £107 to £146 per week is given to employees (or employers where insufficient contributions have been paid for offset). Contracting out is abolished for money purchase schemes from 6 April 2012.

Class 1A and Class 1B – 13.8%
Class 2 (Self-employed) – Flat rate £2.65 a week. Small earnings exemption £5,595 a year.
Class 3 (Voluntary contributions) – £13.25 a week.
Class 4 (Self-employed) – 9% of profits between £7,605 and £42,475 a year. 2% of profits above £42,475 a year.

Inheritance Tax

Transfers after 5 April 2012 and before 6 April 2013

Death Rates	Rate %
Gross transfer	
Up to £325,000 ¹	Nil
Over £325,000	40 ²

¹ Unused nil rate band is transferable to spouse or civil partner.

² 36% where 10% or more of the net estate is left to charity. Chargeable lifetime transfers are initially charged at 20%. Annual gifts of up to £3,000 per donor are exempt.

Capital Gains Tax

Annual exempt amounts 2012/13	£
Individuals, disabled trusts, personal representatives for year of death and two years thereafter	10,600
Trusts generally	5,300

Rates 2012/13

<i>Individuals</i>	
Standard rate	18%
Higher rate	28%
<i>Trustees and personal representatives</i>	28%
<i>Gains to which entrepreneurs' relief applies</i>	10%

Corporation Tax

Financial Year to	31/3/2012	31/3/2013
Full rate	26%	24%
Small profits rate	20%	20%
20% rate limit	£300,000	£300,000
marginal relief limit	£1,500,000	£1,500,000
marginal relief fraction	3/200	1/100
effective marginal rate	27.5%	25%

Stamp Taxes

Shares and marketable securities	0.5% ¹
¹ Rounded up to the nearest multiple of £5. Transactions of value £1,000 or less exempt.	

Transfers of land and buildings (consideration paid)

Residential ²	Non-residential	Rate
£125,000 or less	£150,000 or less	Nil
£125,001–£250,000	£150,001–£250,000	1%
£250,001–£500,000	£250,001–£500,000	3%
£500,001–£1,000,000	Over £500,000	4%
£1,000,001–£2,000,000	N/A	5%
Over £2,000,000	N/A	7% ³

Leases

Rent (net present value)

Residential ²	Non-residential	Rate
Up to £125,000	Up to £150,000	Nil
Over £125,000	Over £150,000	1%

² Different rates apply in designated disadvantaged areas.

³ 15% if purchase by, or by a partnership including, a company or collective investment scheme enveloping the property.

Premiums

Duty on premiums is the same as for transfers of land (but special rules apply to non-residential property where rent exceeds £1,000 annually).

Car Benefit

CO ₂ emissions (2012/13) grams per km	% of list price	
	Petrol	Diesel
75	5	8
76–99	10	13
100	11	14
105	12	15
110	13	16
115	14	17
120	15	18
125	16	19
130	17	20
135	18	21
140	19	22
145	20	23
150	21	24
155	22	25
160	23	26
165	24	27
170	25	28
175	26	29
180	27	30
185	28	31
190	29	32
195	30	33
200	31	34
205	32	35
210	33	35
215	34	35
220	35	35

No charge applies to cars incapable of producing CO₂.

Car Fuel Benefit

For 2012/13, car fuel benefit is calculated by applying the above car benefit percentage to a figure of £20,200.

Tax-Free Mileage Allowances

Employee's own vehicle	2012/13
<i>Motorcars and vans</i>	
Up to 10,000 business miles	45p
Over 10,000 business miles	25p
Each passenger making same trip	5p
<i>Motorcycles</i>	24p
<i>Cycles</i>	20p

Advisory fuel rates for company car from 1 March 2012

Cylinder capacity	Petrol	Diesel	LPG
Up to 1,400 cc	15p	–	10p
Up to 1,600 cc	–	13p	–
1,401 cc to 2,000 cc	18p	–	12p
1,601 cc to 2,000 cc	–	15p	–
Over 2,000 cc	26p	19p	18p