

INHERITANCE TAX

Transfers on death or up to 7 years before

Exempt band	£312,000
(plus any unused exemption transferred from dec'd spouse)	
Tax rate on excess	40%
Lifetime transfers to/from certain trusts	20%

Taper relief for gifts within 7 years of death:-

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

Main Exemptions

W Most transfers between husband and wife **w** first £3,000 of lifetime transfers in any tax year **w** up to £250 pa to any number of individuals **w** gifts in consideration of marriage - £5,000 by a parent, £2,500 by a grandparent, £1,000 by any other person **w** gifts out of income **w** gifts to charities.

SAVINGS & INVESTMENT

Individual Savings Accounts limits

(Either 'maxi' or 'minis', but not both)

Maxi ISA - stocks & shares / unit trusts	£7,200
Mini ISAs - stocks & shares / unit trusts / bond bank / building society	£3,600
Total	£7,200

DATES FOR PAYMENT

Self-employed (Schedule D), investment income received gross (eg, rents & interest) and higher rate tax

1st instalment on 31 January in the year of assessment,
2nd instalment on the following 31 July,
any balance due on the following 31 January.

Capital Gains Tax

31 January following the year of assessment.

Corporation tax

9 months after the end of the accounting period.

Value Added Tax

1 month after the end of the tax period, unless paying electronically, for which a further 7 days is allowed.

PAYE and NIC

2 weeks after end of tax month.

If less than £1,500/mth, then 2 weeks after end of tax quarter.

We can help

Are you paying too much tax? How do you avoid penalties and surcharges? What paperwork has to be kept, what forms have to be sent in and when?

These are the questions that everyone needs answers to and this is where we can help.

Whether you are in business, employed or simply enjoying the fruits of life's labours, at Marshall Roche we can help you to plan your affairs to maximise your income, whilst taking full advantage of all legal means to minimise your tax liabilities.

Marshall Roche services include:-

- q Tax returns and tax planning
- q Year end accounts
- q VAT & wages
- q Property income
- q Personal tax matters
- q Seafarers and expatriate tax
- q Dealing with Tax Office enquiries
- q Helping small or growing businesses
- q Management accounts
- q Advice on business purchase or sale
- q Business planning and forecasting

Call now for further details

MarshallRoche Limited. Registered to carry on audit work by
The Institute of Chartered Accountants in England & Wales

Established 1983

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TAX DATA 2008/2009

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"Very professional, very approachable"

Established 1983

**TAX
STOP**

INCOME TAX

Tax Rate	(On taxable income after deducting allowances)	2008/09 bands	2007/08 bands
10%	(Abolished, but see * below)		Up to £2,230
20%		Up to £35,400	
22%			£2,231 - £34,600
40%		Over £35,400	Over £34,600

*Savers with total taxable income less than £2,320 (eg, pensioners on low incomes) will pay 10% on savings income. Shareholders liable at 40% pay extra tax equivalent to 25% of the net dividends received.

2008/09 Allowances	Personal	Married couples
Age at 5 April 2009:-		
Under 65 years old (basic)	£6,035	nil
65 - 74 years*	£9,030	£653.50
75 years and over*	£9,180	£662.50
Blind persons allowance	£1,800	

* Reduced for those with income over £21,800pa.

† Only applies if either spouse was born before 6 April 1935. Amount shown is the amount tax bill is reduced by.

Rent a room - tax free lodger allowance £4,250

VALUE ADDED TAX

Standard rate	17.5%
To get VAT from VAT inclusive total, multiply by	7/47
Turnover threshold for registration (past 12 months or coming 30 days)	£67,000
Cash accounting scheme - maximum turnover	£1.6m
Flat rate scheme - Joining turnover limit (net)	£150,000
Must leave scheme when gross turnover exceeds	£225,000

Private use of fuel is based on CO₂ emissions. Quarterly rates start at £138 (VAT payable £20.55) for cars up to 120g/km, rising to £483 (VAT payable £71.94) for cars emitting 235g/km or more. Rates in between are roughly pro-rata, but do not follow a simple formula - full details can be found on our web-site at www.marshallroche.co.uk/fuelvat.

CORPORATION TAX

Profits between:-	Year ended 31.3.2009	Year ended 31.3.2008
£1 - £300,000	21%	20%
£300,001 - £1,500,000	29.75%	32.5%
£1,500,001+	28%	30%

From 1 April 2009 the small company rate will rise to 22%

CAR AND FUEL BENEFITS

CO ₂ emission level of the car -	%age
up to 120g/km (reductions below do not apply)	10%
up to 135g/km	15%
for every additional (complete) 5g/km, add	1%
Then apply fuel type adjustments, as below	
Up to a maximum for any car of	35%
Type of fuel	Adjustment
Diesel, not Euro IV (low emission)	add: 3%
Diesel (Euro IV) first reg before 1/1/06	None
Diesel (Euro IV) first reg on or after 1/1/06	add: 3%
Electric only	reduction: 6%
Hybrid electric cars	reduction: 3%
Gas only cars and Biofuel (E85) cars	reduction: 2%

Fuel benefit - multiply the relevant percentage by £16,900.

Van benefit £3,000 (Fuel £500)
No van benefit if only private use is between home and work.

Approved (ie tax free) business mileage allowance

(Rates per mile)	First 10,000 business miles in tax year	Over 10,000 business miles
Cars and vans	40p	25p
Motor cycles	24p	24p
Bicycles	20p	20p
Each additional business passenger - 5p per mile		

MAIN CAPITAL ALLOWANCES

Motor cars - 20% of reducing balance (max £3,000 per car)
Plant and machinery - 100% in year of purchase up to £50k total spending. Anything over this gets 20%pa on the reducing balance
Low emission cars (up to 110g/km) - 100%
environmental/energy saving assets - 100%
Research & development tax credit- 175% (2007/08:150%)

CAPITAL GAINS TAX

	2008/09	2007/08
Annual exemption	£9,600	£9,200
Rate of tax: From 6 April 2008 - 18% flat rate		
Business assets: Owners of small businesses will pay tax at 10% on capital gains made on sale of business assets or shares up to a lifetime limit of £1m.		

Note that indexation allowance and taper relief are abolished for individuals from 6 April 2008.

NATIONAL INSURANCE

Class 1 (Not 'contracted out')	Employer rates	Employee rates
Weekly earnings between:-		
£0 - £105.00	No contributions due	No contributions due
£105.01 - £770.00	12.8%	11%
Over £770.00	12.8%	1%
Class 1A - employee benefits (eg car, medical etc.)	12.8% of taxable benefit	nil
Class 2 - self-employed	£2.30/wk	
If earnings in tax year exceed		£4,825
Class 3 - voluntary	£8.10/wk	
Class 4 - self-employed	Rate applied	
Profits £0 - £5,435	Nil	
£5,435 - £40,040	8%	
£40,040 +	1%	

PENSION CONTRIBUTIONS

As from 6 April 2006 pension rules changed dramatically. The broad aim is to let people contribute as much as they can afford during their lifetime, subject to an overall limit on the value of their pension 'pot'.

The limits are as follows:-

Personal contributions	The larger of :- £3,600pa or 100% of Net Relevant Earnings
Company contribution	£235,000pa (less any personal)
Lifetime fund limit	£1.65 million

Retirement

Up to 25% of the fund can be taken as tax free cash, so long as an annuity is also taken and this is by age 75.

There is no longer any requirement to take an annuity by age 75, but a pension must be drawn from the fund after that age.

As from April 2010, the earliest age at which benefits can be taken will be 55.

Pension term assurance

Contracts made pre 6/4/01; 5% of NRE (inc. in above limits)
Post 6/4/01 - 10% of allowable pension contributions made.

IMPORTANT NOTICE

This data is based on the Chancellor's Budget proposals as they affect small businesses, subject to the Finance Act 2008. As the information is of a general nature only, further advice should be sought from us before relying on any of the information provided.