

INHERITANCE TAX

Transfers on death or up to 7 years before
 Exempt band £325,000
 (plus any unused exemption transf'd 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

• Most transfers between husband and wife • first £3,000 of lifetime transfers in any tax year • up to £250 pa to any number of individuals • gifts in consideration of marriage - £5,000 by a parent, £2,500 by a grandparent, £1,000 by any other person • gifts out of income • 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 trust / bond bank / building society £3,600
 Total £7,200

Note - from 6/10/09 these limits become £10,200 and £5,100 for investors over 50 years old.

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

As 2009 sees the first recession in a decade and a half, everyone is looking for ways to make the most of what they have.

How to maximise income? How to avoid paying too much tax? How to avoid penalties and surcharges? What paperwork has to be kept, what forms have to be sent in and when? How to deal with electronic filing of returns? We can help with all of this.

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:-

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

Call now for further details

Marshall Roche Limited - Reg'd No 3000246.
 Registered to carry on audit work by
 The Institute of Chartered Accountants in England & Wales

Established 1983

MARSHALL ROCHE

Chartered Accountants

TAX DATA 2009/2010

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"Very professional, very approachable"

Established 1983

INCOME TAX

Tax Rate	(On taxable income after deducting allowances)	2009/10 bands	2008/09 bands
10%	(Savers with low incomes only - see * below)	Up to £37,400	Up to £34,800
20%		Up to £37,400	Up to £34,800
40%		Over £37,400 (see †)	Over £34,800

* Savers with total taxable income less than £2,440 (eg. pensioners on low incomes) pay 10% on savings income.

† Shareholders who are liable at 40%, pay extra tax equivalent to 25% of the net dividends received.

2009/10 Allowances

	Personal	Married couples
Age at 5 April 2010:-		
Under 65 years old (basic)	£6,475	nil
65 - 74 years*	£9,490	nil
75 years and over*	£9,640	† £696.50
Blind persons allowance	£1,890	

* Reduced for those with income over £22,900pa.

† 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: 15% until 31/12/09 (17.5% from 1/1/10)
 To get VAT from gross multiply by 3/23 (7/47 from Jan)
 Turnover threshold for registration £68,000
 (past 12 months or coming 30 days)
 Cash accounting scheme - max turnover £1.6m
 Flat rate scheme - Joining net turnover limit £150,000
 Must leave scheme if gross t/o exceeds £225,000

Private use of fuel is based on CO₂ emissions. Quarterly rates start at £138 (VAT @ 15% = £18) for cars up to 120g/km, rising to £483 (VAT @ 15% = £63) 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 at www.marshallroche.co.uk/fuelvat.htm

CORPORATION TAX

	Year ended 31.3.2010	Year ended 31.3.2009
Profits between:-		
£1 - £300,000	21%	21%
£300,001 - £1,500,000	29.75%	29.75%
£1,500,001+	28%	28%
Thresholds split equally between associated companies		
From 1 April 2010, small company rate will rise to 22%		

CAR AND FUEL BENEFITS

CO ₂ emission level of the car -	%
up to 120g/km (red'ns 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%
Fuel if other than petrol (main types)	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%
Hybrid electric cars	reduction: 3%

Car benefit - multiply the relevant %age by the list price, including accessories, less up to £5,000 of any personal contribution to cost of purchase.

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

Van benefit £3,000 (Fuel £500)

No van benefit if only private use is home to work.

Approved (ie tax free) business mileage allowance

(Rates per mile) First 10,000 business miles 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 -

Pre 4/09: 20% of reducing balance (max £3,000 per car)

Bought 2009/10 or later:

% of reducing balance based on CO₂ (g/km):-
 Up to 110g = 100%, to 160g = 20%, over 160g = 10%

Plant and machinery -

100% in year of purchase up to £50k total spending.
 The rest gets 40% in yr1, then 20%pa on reducing bal.
 Environmental/energy saving assets - 100%
 Long life assets and integral in buildings - 10% (RB)

CAPITAL GAINS TAX

	2009/10	2008/09
Annual exemption	£10,100	£9,600
Tax rate: Since 6 April 2008 -	18% flat rate	
Business assets: Owners of small businesses will pay tax at 10% on capital gains made on sale of a business, up to a lifetime limit of £1m.		

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

NATIONAL INSURANCE

Class 1 (Not 'contracted out') Weekly earnings between:-	Employer rates	Employee rates
£0 - £110.00	No contributions due	
£110.01 - £844.00	12.8%	11%
Over £844.00	12.8%	1%

Class 1A - employee benefits (eg car etc.) 12.8% of taxable benefit nil

Class 2 - self-employed If earnings in tax year over £5,075

Class 3 - voluntary £12.05/wk

Class 4 - self-employed Profits	Rate applied
£0 - £5,715	Nil
£5,715 - £43,875	8%
£43,875 +	1%

PENSION CONTRIBUTIONS

Contribution limits for 2009/10 are as follows:-
 Personal The larger of :- £3,600pa or 100% of Net Relevant Earnings

Company £245,000pa (less any personal cont'n)

Lifetime fund limit £1.75 million

Note that for people with income over £150k, the tax relief is gradually reduced, so that over £180k income, relief is only given at 20% (not 40%). This makes pensions a bad option if income in retirement will be high enough to suffer tax at 40%.

Regular rules apply up to 5/4/11, allowing 40% on 'regular' payments and up to £20k pa 'irregular'.

Retirement options:-

Up to 25% of fund can be taken tax free, so long as a pension is also then taken and this is by age 75.

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

Pension term assurance

Contracts 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 2009. As the information is of a general nature only, further advice should be sought from us before relying on any of the information provided.