

INHERITANCE TAX

Transfers on death or up to 7 years before

Exempt band	£325,000
(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

◊ 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	£10,680
Mini ISAs - stocks & shares / unit trusts / bond	£5,340
bank / building society	£5,340
Total	£10,680

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 below £1,500/mth, then 2 weeks after end of tax quarter.

INCOME TAX

Tax Rate	(Rates applicable after deducting allowances)	
	2011/12 bands	2010/11 bands
20%	Up to £35,000	Up to £37,400
40%	£35,001 - £150,000	£37,401 - £150,000
50%	Over £150,000	Over £150,000

Savers with other income less than £2,560 (eg. pensioners on low incomes) pay 10% on savings income.

Shareholders liable at 40% pay extra tax equivalent to 25% of the net dividends received (50% taxpayers => 36.11% of net).

2011/12 Allowances	Personal	Married couples
Age at 5 April 2012:-		
Under 65 years old (basic)*	£7,475	nil
65 - 74 years**	£9,940	Nil
75 years and over**	£10,090	£729.50
Blind persons allowance	£1,980	

* Reduced by 50p per £1 of income over £100,000pa.

** Extra allowance reduces by 50p per £1 of income over £24,000pa.

† 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 : 20%

To get VAT from gross, divide gross by 6

Turnover threshold for registration £73,000 (past 12 months or coming 30 days)

Cash accounting scheme - maximum turnover £1.6m

Flat rate scheme - Joining turnover limit (net) £150,000

Must leave scheme if gross turnover exceeds £225,000

Private use of fuel is based on CO₂ emissions. Quarterly rates start at £157 (VAT payable £26.17) for cars up to 120g/km, rising to £551 (VAT payable £91.83) for cars emitting 225g/km or more. Rates in between can be found on our web-site at www.marshallroche.co.uk/fuelvat.htm

CORPORATION TAX

Profits between:-	Year ended 31.3.2012	Year ended 31.3.2011
£1 - £ 300,000	20%	21%
£300,001 - £1,500,000	27.5%	29.75%
£1,500,001+	26%	28%

We can help

The government is promising to cut back excessive spending, but can't resist the temptation to dig its hand ever deeper into your pocket.

How to maximise income? How to avoid paying too much tax? How to avoid penalties and surcharges? What paperwork to keep, what forms to send in and when? 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
- Seafarers and expatriate tax
- Dealing with Tax Office enquiries
- Helping small or growing businesses
- Advice on business purchase or sale
- Business planning and forecasting

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Established 1983

CAR AND FUEL BENEFITS

Taxable benefit for use of car- CO ₂ emission level of the car	%age of list price
Zero emissions (electric only)	0%
Up to 75g/km	5%
Up to 120g/km	10%
Up to 125g/km	15%
Above 125g/km :	
15% plus adjustment as below (max 35%):	
For each additional (complete) 5g/km	add 1%
Diesel cars	add 3%

Fuel benefit - multiply the car use percentage by £18,800.

Van benefit - £3,000 (Fuel £550)
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	45p	25p
Motor cycles	24p	24p
Bicycles	20p	20p

Each additional business passenger - 5p per mile

MAIN CAPITAL ALLOWANCES

Motor cars -

Pre April 2009: 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 £100k total spending (reducing to £25k next year).

The rest gets 20%pa on reducing balance.

Environmental/energy saving assets	100%
Research & development	200%

CAPITAL GAINS TAX

Tax free amount for gains in year

	2011/12	2010/11
	£10,600	£10,100

Rate of tax: From 23 June 2010, taxable gains are treated as income, but taxed at 18% (basic rate) or 28% (higher 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 £10m.

MARSHALL ROCHE

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TAX DATA 2011/2012

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"Very professional, very approachable"

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NATIONAL INSURANCE

Class 1 ('Not contracted out')

Employer contribution:

Employer NI free amount £136 /wk
Payable on everything over £136 /wk 13.8%

Employee contribution:

Employee NI free amount £139 /wk
Payable on earnings £139 to £817/wk 12%
Payable on everything over £817 /wk 2%

Class 1A - employee benefits: Employer pays 13.8% of taxable benefit (eg car, medical etc.)

Class 2 - self-employed £2.50/wk

If earnings in tax year exceed £5,315pa

Class 3 - voluntary £12.60/wk

Class 4 - self-employed Rate applied

Profits (pa)	Rate
£0 - £7,225	Nil
£7,225 - £42,475	9%
£42,475 +	2%

PENSION CONTRIBUTIONS

Contribution limits are as follows -

Anyone can invest up to £3,600pa without proving income. Above this, the limit is the maximum of:

- 100% of Net Relevant Earnings
- £50,000pa

Note - unused allowance can be carried up to 3 yrs

Lifetime fund limit £1.8 million

Retirement options -

The earliest age at which benefits can be taken is 55. Up to 25% of the fund can be taken as tax free cash. There is no longer any requirement to set up an annuity at age 75, so long as other pensions provide at least £20k pa.

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 2011. As the information is of a general nature only, further advice should be sought from us before relying on any of the information provided.