

Corporation Tax and Diverted Profits Tax

	2019/20	2018/19	Note
Corporation Tax - all profits and gains	19%	19%	
Loans to participators	32.5%	32.5%	
Restitution interest payments corporation tax rate	45%	45%	A
Diverted profits	25%	25%	B

A Withheld at source.

B Applies to profits of large entities diverted from the UK as a result of an avoided permanent establishment or transactions which lack economic substance

Patent Box

	2019/20	2018/19	Note
Effective rate of tax on qualifying profits	10%	10%	A

A Nexus based regime operated from 1 July 2016. Previous regime available until 2021 if opt in election made by 30 June 2016

Capital Allowances

	2019/20	2018/19	Note
Plant and machinery:			
Annual investment allowance	100%	100%	A
Long life assets and integral features	6%	8%	B
Other assets	18%	18%	B

First year allowances:

Available for R & D, enterprise Zone (Qualifying Zones) until designated dates between 31 March 2020 and 16 March 2024, energy saving and water efficient technologies until 31 March 2020/5 April 2020, brand new low emissions cars and gas refuelling stations until 31 March 2021, zero-emission goods vehicles until 31 March 2021/5 April 2021 and electric vehicle charge points until 31 March 2023/5 April 2023.

	100%	100%
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Cars: CO emissions (g/km)

50 or less	100%	100%
51 to 110	18%	18%
Over 110	6%	8%

Structure and buildings

	2%	2%
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A Max AIA £1m pa from January 2019 to 31 December 2020 (£200,000 pa to 31 December 2018 and from 1 January 2021) B Reducing balance C expenditure on non residential structures and buildings on construction contracts entered into on or after 29 October 2018.

Value Added Tax

	2019/20	Note
Standard rate	20%	
Reduced rate	5%	
Annual turnover limit for registration	£85,000	A
VAT De-registration limit	£83,000	
Annual cash accounting upper limit	£1,350,000	
EC Sales List reporting threshold	Nil	

Intrastat reporting

Arrivals threshold	£1,500,000
Dispatches threshold	£250,000

A Taxable turnover is measured by reference to the last 12 months or the next 30 days

Research and Development Tax Credits

	2019/20	2018/19	Note
SME enhanced deduction scheme	130%	130%	A
SME cash credit for R&D loss surrendered	14.5%	14.5%	B
Large company above the line scheme credit	12%	12%	C

A Additional (enhanced) tax deduction available for qualifying R&D expenditure

B From 1 April 2020 the payable R&D tax credit in any tax year is restricted to three times the company's total PAYE income tax and NIC liability for the year

C Taxable credit available on qualifying R&D expenditure.

Property Stamp Taxes

Residential Price / premium payable	England & NI SDLT	Scotland LBTT	Wales LTT
£1-£125,000	Nil	Nil	Nil
£125,001-£145,000	2%	Nil	Nil
£145,001-£180,000	2%	2%	Nil
£180,001-£250,000	2%	2%	3.5%
£250,001-£325,000	5%	5%	5%
£325,001-£400,000	5%	10%	5%
£400,001-£750,000	5%	10%	7.5%
£750,001-£925,000	5%	12%	10%
£925,001-£1.5m	10%	12%	10%
Over £1.5m	12%	12%	12%

3% (4% for LBTT) supplement to above rates for second properties and all purchases above £40,000 by corporates, certain partnerships, discretionary and certain other trustees. Residential properties in England and Northern Ireland purchased by non-natural persons (enveloped properties) for more than £500,000 incur a flat 15% SDLT rate unless a relief is available.

First time buyer exemption from SDLT for purchases up to £300,000 and for the first £300,000 of purchases up to £500,000.

First time buyer relief from LBTT for the first £175,000 of relevant property purchases.

Residential Leases

England and Northern Ireland - 1% on present value or rents above £125,000, nil in Wales and generally exempt in Scotland.

Non residential / mixed use

Price / premium payable	England & NI SDLT	Scotland LBTT	Wales LTT
0-£150,000	Nil	Nil	Nil
£150,001-£250,000	2%	1%	1%
£250,001-£1m	5%	5%	5%
Over £1m	5%	5%	6%

Individual Savings Account

	2019/20	2018/19
Cash and shares combined limit	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
Junior ISA	£4,368	£4,260

Tax Efficient Savings and Investments

Maximum Investment	2019/20	2018/19	Note
Seed enterprise investment scheme (SEIS)	£100,000	£100,000	A
Venture capital trusts (VCTs)	£200,000	£200,000	B
Enterprise investment scheme (EIS)	£1m	£1m	B
Social investment tax relief	£1m	£1m	B,C

A Income tax relief 50% B Income tax relief 30% C Enterprises up to 7 years old- £1.5m



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Tax Facts
2019/20

Income Tax Rates

Individuals	2019/20 Rate	2018/19 Rate	Note
Standard rate	£1-£5,000 20%	£1-£5,000 20%	A,C
Basic rate	£5,001-£37,500 20%	£5,001-£34,500 20%	B,C
Higher rate	£37,501-£150,000 40%	£34,501-£150,000 40%	B,C
Additional rate	Over £150,000 45%	Over £150,000 45%	B,C
Starter rate (SRT)	£1-£2,049 19%	£1-£2,000 19%	C
Basic rate (SRT)	£2,050-£12,444 20%	£2,001-£12,150 20%	C
Intermediate rate (SRT)	£12,445-£30,930 21%	£12,151-£31,580 21%	C
Higher rate (SRT)	£30,931-£150,000 41%	£31,581-£150,000 41%	C
Additional rate (SRT)	Over £150,000 46%	Over £150,000 46%	C

Trusts

Standard rate	£1-£1,000 20%	£1-1,000 20%	B
Trust rate	Over £1,000 45%	Over £1,000 45%	B

- A** A 0% rate on non-dividend income up to £5,000 where taxable non-savings income is less than £5,000
- B** Dividend allowance of £2,000 taxed at 0%. Dividends above this limit are taxed at 7.5% (for basic rate) 32.5% (for higher rate) and 38.1% (for additional rate and trusts)
- C** Scottish rate of income tax (SRT) and rate bands apply to earned, pensions and property income of Scottish tax payers. UK income tax rates and bands apply for other income, including savings and dividend income, of Scottish taxpayers.

Income Tax Allowances

	2019/20	2018/19	Note
Basic Personal allowance	£12,500	£11,850	A,B
Married/civil partners allowance	£8,915	£8,695	B,C
Minimum married/civil partners allowance	£3,450	£3,360	B,C
Married/civil partners transferable allowance	£1,250	£1,190	B
Income limit for married/civil partners allowance	£29,600	£28,900	
Blind persons allowance	£2,450	£2,390	
Rent a room relief limit	£7,500	£7,500	
Savings allowance	£1,000	£1,000	D
Trading income allowance	£1,000	£1,000	E
Property income allowance	£1,000	£1,000	E

- A** Reduced by £1 for every £2 of income over £100,000
- B** Non residents may not be entitled to personal allowances in certain circumstances
- C** Available to persons born before 6 April 1935. Relief limited to 10%. Reduced to a minimum allowance reduced by £1 for every £2 income over £100,000 after applying personal allowance reduction.
- D** £500 for higher rate and £nil for additional rate taxpayers
- E** If gross income in excess of £1,000 a deduction of £1,000 instead of actual expenses is given

Note: High income child benefit charge: 1% of the benefit per £100 of adjusted net income over £50,000; 100% of the benefit when adjusted net income is over £60,000.

Inheritance Tax

	2019/20	2018/19	Note
Nil rate band £1-£325,000	0%	0%	A
Over £325,000	40%	40%	B,C
Main exemptions:		Gifts on marriage or civil partnership:	
Annual gifts per donor	£3,000	Parent	£5,000
Small gifts per donee	£250	Grandparent /Great-grandparent	£2,500
Normal expenditure out of income	Exempt	Other	£1,000

- A** Additional residence nil rate band (RNRB) of £150,000 (2018/19 £125,000) for transfers of a main residence to direct descendants. NRB and RNRB for estate of surviving spouse are increased by unutilised percentage of NRB and RNRB of predeceased spouse. RNRB tapers away for estates above £2m
- B** Some lifetime gifts are taxed at 20%
- C** Tax rate reduced to 36% where 10% or more of net chargeable estate is left to charity

Pension Contributions

	2019/20	2018/19	Note
Annual allowance	£40,000	£40,000	A
Lifetime allowance	£1,055,000	£1,030,000	

- A** Up to the lower of 100% of earnings or the maximum contribution. Maximum contribution is the annual allowance plus unutilised allowances from the three previous years. Up to £3,600 may be contributed irrespective of earnings. Annual allowance reduced by £1 for every £2 income over £150,000 to a minimum of £10,000, and to £4,000 maximum if certain pension drawings made.

Capital Gains Tax

	2019/20	2018/19	Note
Annual exemption:			
Individuals	£12,000	£11,700	
Trusts	£6,000	£5,850	
Entrepreneurs' relief: Maximum lifetime allowance	£10m	£10m	
Investors' relief: Lifetime allowance	£10m	£10m	
Individuals and trusts:			
Basic and starting rate taxpayers	10%	10%	A
Higher and additional rate taxpayers	20%	20%	A
Trusts and personal representatives	20%	20%	A
Gains qualifying for entrepreneurs' relief	10%	10%	

- A** Gains on residential properties not qualifying for principal private residence relief, and on carried interest, attract a surcharge of 8%

Note: Non UK residents subject to CGT on sale of UK residential property at 28%. Tax must be paid to HMRC within 30 days of sale

National Insurance Contributions

Class 1			
Employer	Rate payable	Employee	Rate payable
Earnings per week		Earnings per week	
£0.01-£166.00	Nil	£0.01-£166.00	Nil
Over £166.00	13.8%	£166.00-£962.00	12%
		Over £962.00	2%
Class 1A and 1B (employers only)	13.8%		
Class 2 (self-employed)	£3.00 per week (small profits threshold £6,365)		
Class 3 (voluntary)	£15.00 per week		
Class 4 (self-employed)	Profits up to £8,632		0%
	Profits from £8,632 to £50,000		9%
	Profits above £50,000 per annum		2%

Notes: The first £3,000 of employer's liability relieved by the employment allowance. From April 2020, the employment allowance will only apply to companies with an NIC bill of less than £100,000. No employers NIC for employees aged under 21 (and apprentices up to age 25) on earnings up to £962 per week (the Upper Earnings Limit). Apprenticeship Levy at 0.5% payable on annual pay bills in excess of £3m, net of £15,000 annual allowance.

Authorised Mileage Rates

	Per mile
Private cars and vans:	
First 10,000 miles in the tax year	45p
Additional miles	25p
Each qualifying passenger	5p
Motor Cycle	24p
Cycle	20p

Car and Fuel Scale Benefits

Car benefit:	Percentage (see below) of list price	
Fuel benefit:	Percentage (see below) of £24,100	
Cars registered from 1st January 1998:		
CO₂ emissions (g/km):	Diesel	Petrol
0-50	20%	16%
51-75	23%	19%
76-94	26%	22%
Each additional 5	Further 1%	Further 1%
Diesel 145 and over / Petrol 165 and over	37%	37%
Benefits for electric vehicles 16%		
Diesel vehicles meeting RDE2 standards exempt from diesel supplement and the above petrol rates apply for such vehicles.		