

BAXTERS

Baxters Limited

3 Nightingale Place, Pendeford Business Park
Wobaston Road, Wolverhampton WV9 5HF

Tel 01902 787171 Fax 01902 787274

Email info@baxters-ca.co.uk

www.baxters-ca.co.uk



TAX RATES
2020/21

Income Tax

Rates and bands (other than savings and dividend income)

2020/21		2019/20	
Band £	Rate %	Band £	Rate %
0 - 37,500	20	0 - 37,500	20
37,501 - 150,000	40	37,501 - 150,000	40
Over 150,000	45	Over 150,000	45

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

Savings income 2020/21 and 2019/20

Savings allowance basic rate	£1,000
Savings allowance higher rate	£500

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

Dividend income 2020/21 and 2019/20

Dividend allowance	£2,000
Dividend ordinary rate	7.5%
Dividend upper rate	32.5%
Dividend additional rate	38.1%

Reliefs 2020/21 2019/20

Personal allowance	£12,500	£12,500
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,250	£1,250
Married couple's allowance	£9,075	£8,915
- minimum amount	£3,510	£3,450
- income limit	£30,200	£29,600
Blind person's allowance	£2,500	£2,450

Capital Gains Tax

Individuals	2020/21	2019/20
Exemption	£12,300	£12,000
Standard rate	10%	10%
Higher/additional rate	20%	20%
Trusts		
Exemption	£6,150	£6,000
Rate	20%	20%

Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.

Entrepreneurs' Relief *The first £10m of qualifying gains are charged at 10%. This is reduced to £1m for disposals on or after 11 March 2020 subject to certain transitional rules.*

National Insurance

2020/21 Class 1 (employed) rates

Employee		Employer	
Earnings per week	%	Earnings per week	%
Up to £183	Nil	Up to £169	Nil
£183.01 - £962	12	Over £169	13.8
Over £962	2		

Entitlement to contribution-based benefits for employees retained for earnings between £120 and £183 per week. The employer rate is 0% for employees under 21 and apprentices under 25 on earnings up to £962 per week.

Class 1A (employers) 13.8% on employee taxable benefits. **Class 1B (employers)** 13.8% on PAYE Settlement Agreements. **Class 2 (self-employed)** flat rate per week £3.05 small profits threshold £6,475 per annum. **Class 3 (voluntary)** flat rate per week £15.30. **Class 4 (self-employed)** 9% on profits between £9,500 and £50,000 plus 2% on profits over £50,000.

Car, Van and Fuel Benefits

2020/21	Cars registered pre 6.4.20	Cars registered after 5.4.20
CO ₂ emissions g/km	% of list price taxed	% of list price taxed
0	0	0
1-50		
Electric range - 130 or more	2	0
70 - 129	5	3
40 - 69	8	6
30 - 39	12	10
under 30	14	12
51-54	15	13
For every extra 5	+1	+1
160 and above	37	n/a
170 and above	n/a	37

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO₂ figure does not end in a 5 or 0 round down to the nearest 5 or 0.

2020/21

Car fuel benefit	£24,500
Van benefit	£3,490
Van fuel benefit	£666

Inheritance Tax

Death rate

Nil
40%

Lifetime rate

Nil
20%

Chargeable transfers 2020/21 and 2019/20

0 - £325,000 (nil rate band)
Over £325,000

A further nil rate band of £175,000 (£150,000 for 2019/20) may be available in relation to current or former residences.

Corporation Tax

	Rate %		Rate %
Year to 31.3.21	19	Year to 31.3.20	19

Different rates apply for ring-fenced (broadly oil industry) profit.

Capital Allowances

First Year allowance (FYA) on certain plant, machinery and cars up to 50g/km **100%**

Annual Investment Allowance (AIA) £1,000,000 (£200,000 from 1 January 2021)

Excludes cars and expenditure already qualifying for FYA

Writing Down Allowance

Expenditure not qualifying for AIA or FYA:

Long-life assets, integral features of buildings, cars over 110g/km **6%**

Other plant and machinery **18%**

Structures and Buildings Allowance

From April 2020 **3%**

Value Added Tax

	From 1.4.20	From 1.4.19
Standard rate	20%	20%
Reduced rate	5%	5%
Annual Registration Limit	£85,000	£85,000
Annual Deregistration Limit	£83,000	£83,000

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

Selected Rates

	2020/21	2019/20
Weekly benefit	£	£
Basic State Pension	134.25	129.20
New State Pension	175.20	168.60
Statutory pay standard rates - average weekly earnings £120 (£118) or over		
Sick Pay	95.85	94.25
Maternity/Adoption Pay	151.20	148.68
Shared Parental Pay	151.20	148.68
Paternity Pay	151.20	148.68

National Living Wage and National Minimum Wage

Age	NLW	21-24	18-20	16-17	Apprentices
From 1 April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

Applies to apprentices under 19, or 19 and over in the first year of apprenticeship.

NLW applies to those aged 25 and over.

Stamp Duty Land Tax

Land and buildings in England and N. Ireland. Residential rates may be increased by 3% where further residential properties are acquired.

Residential (£)	Rate (%)	Non-residential (£)	Rate (%)
0 - 125,000	0	0 - 150,000	0
125,001 - 250,000	2	150,001 - 250,000	2
250,001 - 925,000	5	Over 250,000	5
925,001 - 1,500,000	10		
Over 1,500,000	12		

First-Time Buyer relief may apply to residential purchases up to £500,000.