

TAX TABLES

2020/21



BARNES ROFFE LLP
CHARTERED ACCOUNTANTS

INCOME TAX

UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income	20/21	19/20
20% basic rate on first slice of taxable income up to	£37,500	£37,500
40% higher rate on next slice of taxable income over	£37,500	£37,500
45% additional rate on taxable income over	£150,000	£150,000

All UK taxpayers

Starting rate at 0% on band of savings income up to*	£5,000	£5,000
Personal savings allowance at 0%: Basic rate	£1,000	£1,000
Higher rate	£500	£500
Additional rate	£0	£0
Dividend allowance at 0% – all individuals	£2,000	£2,000
Tax rates on dividend income: Basic rate	7.5%	7.5%
Higher rate	32.5%	32.5%
Additional rate	38.1%	38.1%
Trusts: Standard rate band generally	£1,000	£1,000
Rate applicable to trusts: Dividends	38.1%	38.1%
Other income	45%	45%

*Not available if taxable non-savings income exceeds the starting rate band

Scottish taxpayers – non-dividend, non-savings income

19% starter rate on taxable income up to	£2,085	£2,049
20% basic rate on next slice up to	£12,658	£12,444
21% intermediate rate on next slice up to	£30,930	£30,930
41% higher rate on next slice up to	£150,000	£150,000
46% top rate on income over	£150,000	£150,000

High Income Child Benefit Charge, 1% of benefit per £100 of adjusted net income between £50,000 – £60,000

Main personal allowances and reliefs	20/21	19/20
Personal allowance**	£12,500	£12,500
Marriage/civil partner's transferable allowance	£1,250	£1,250
Married couple's/civil partner's allowance at 10% [†]		
(if at least one born before 6/4/35) – maximum	£9,075	£8,915
– minimum	£3,510	£3,450
Blind person's allowance	£2,500	£2,450
Rent-a-room relief	£7,500	£7,500
Property allowance and trading allowance (each)	£1,000	£1,000

**Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000

[†]Married couple's/civil partner's allowance reduced by £1 for every £2 of adjusted net income over £30,200 (£29,600 for 19/20), until minimum reached

REGISTERED PENSIONS

	20/21	19/20
Lifetime allowance	£1,073,100	£1,055,000
Money purchase annual allowance	£4,000	£4,000
Annual allowance*	£40,000	£40,000
Annual allowance charge on excess is at applicable tax rate(s) on earnings		
Lifetime allowance charge if excess is drawn as cash 55%; as income 25%		
Pension commencement lump sum up to 25% of pension benefit value		
*Reduced by £1 for every £2 of adjusted income over £240,000 (£150,000 for 19/20) to a minimum of £4,000 (£10,000 for 19/20), subject to threshold income being over £200,000 (£110,000 for 19/20)		

STATE PENSIONS

New state pension – where state pension age reached after 5/4/16	Annual £9,110.40	Weekly £175.20
Basic state pension – single person*	£6,981.00	£134.25
Basic state pension – spouse/civil partner*	£4,183.40	£80.45

* State pension age reached before 6/4/16

TAX INCENTIVISED INVESTMENT

Total Individual Savings Account (ISA) limit excluding Junior ISAs (JISAs)	20/21 £20,000	19/20 £20,000
Lifetime ISA	£4,000	£4,000
JISA and Child Trust Fund	£9,000	£4,368
Venture Capital Trust (VCT) at 30%	£200,000	£200,000
Enterprise Investment Scheme (EIS) at 30%*	£2,000,000	£2,000,000
EIS eligible for CGT deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%

*Above £1,000,000 investment must be in knowledge-intensive companies

NATIONAL INSURANCE CONTRIBUTIONS

Class 1	Employee	Employer
NICs rate	12%	13.8%
No NICs for employees generally on the first	£183 pw	£169 pw
No NICs for younger employees* on the first	£183 pw	£962 pw
NICs rate charged up to	£962 pw	No limit
2% NICs on earnings over	£962 pw	N/A

Employment Allowance

Per business – not available if sole employee is a director or employer's NICs for 19/20 £100,000 or more

Limits and Thresholds

	Weekly	Monthly	Annual
Lower earnings limit	£120	£520	£6,240
Primary threshold	£183	£792	£9,500
Secondary threshold	£169	£732	£8,788
Upper earnings limit (and upper secondary thresholds*)	£962	£4,167	£50,000

* Employees generally under 21 years and apprentices under 25 years

Class 1A Employer On car and fuel benefits and most other taxable benefits provided to employees and directors

13.8%

Class 2 Self-employed Flat rate per week

£3.05 (£158.60 pa)

Small profits threshold

No compulsory NICs if annual profits less than

£6,475

Class 4 Self-employed On annual profits of

£9,500 to £50,000: 9%

Over £50,000: 2%

Class 3 Voluntary flat rate per week

£15.30 (£795.60 pa)

CAPITAL GAINS TAX

Tax Rates – Individuals

	20/21	19/20
Below UK higher rate income tax band	10%	10%
Within UK higher and additional rate income tax bands	20%	20%

Tax Rate – Trusts and Estates

20%

Surcharge for residential property and carried interest

8%

Exemptions

Annual exempt amount: Individuals, estates, etc	£12,300	£12,000
Trusts generally	£6,150	£6,000

Chattels gain limited to 5/3rds of proceeds exceeding

£6,000

Entrepreneurs' Relief

10% on lifetime limit of £1,000,000 (£10,000,000 before 11 March 2020)

For trading businesses and companies (minimum 5% participation) held for at least 2 years

INHERITANCE TAX

	20/21	19/20
Nil-rate band*	£325,000	£325,000
Residence nil-rate band*†	£175,000	£150,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000
100% relief: businesses, unlisted/AIM companies, certain farmland/buildings		
50% relief: certain other business assets e.g. farmland let before 1/9/95		
Annual exempt gifts of:	£3,000 per donor	£250 per donee

Tapered tax charge on lifetime gifts within 7 years of death

Years between gift and death	0-3	3-4	4-5	5-6	6-7
% of death tax charge	100	80	60	40	20

* Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band and/or residence nil-rate band can be claimed on the survivor's death

† Estates over £2,000,000: the value of the residence nil-rate band is reduced by 50% of the excess over £2,000,000

STAMP DUTIES AND PROPERTY TRANSACTION TAXES

Stamp Duty and SDRT: Stocks and marketable securities 0.5%

Additional residential and all corporate residential properties

£40,000 or more – add 3% to SDLT/LTT rate(s) and 4% on LBTT rate(s)

England & N Ireland – Stamp Duty Land Tax (SDLT) on slices of value

Residential property	%	Commercial property	%
Up to £125,000	0	Up to £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 buyers: 0% on first £300,000 for properties up to £500,000

Residential properties bought by companies etc over £500,000: 15% of total consideration, subject to certain exemptions

Scotland – Land and Buildings Transaction Tax (LBTT) on slices of value

Residential property	%	Commercial property	%
Up to £145,000	0	Up to £150,000	0
£145,001–£250,000	2	£150,001–£250,000	1
£250,001–£325,000	5	Over £250,000	5
£325,001–£750,000	10		
Over £750,000	12		

First-time buyers: 0% on first £175,000

Wales – Land Transaction Tax (LTT) on slices of value

Residential property	%	Commercial property	%
Up to £180,000	0	Up to £150,000	0
£180,001–£250,000	3.5	£150,001–£250,000	1
£250,001–£400,000	5	£250,001–£1,000,000	5
£400,001–£750,000	7.5	Over £1,000,000	6
£750,001–£1,500,000	10		
Over £1,500,000	12		

CORPORATION TAX

	Profits	Diverted profits	Loans to participants
Years to 31/3/21 and 31/3/20	19%	25%	32.5%

VALUE ADDED TAX

Standard rate	20%	Reduced rate, e.g. on domestic fuel	5%
Since 1/4/17: Registration level	£85,000	Deregistration	£83,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limit			£1,350,000

CAR BENEFITS

Taxable amount based on original list price and CO₂ emissions in g/km.

Zero emission cars no charge

Petrol and diesel hybrids with CO₂ emissions 1–50g/km

Range – electric-only miles	< 30	30–39	40–69	70–129	130 +
Registered pre-6/4/20 (NEDC)	14%	12%	8%	5%	2%
Registered post-5/4/20 (WLTP)	12%	10%	6%	3%	0%

All non-diesel cars over 50g/km CO₂

	51–54	55 & over
Registered pre-6/4/20 (NEDC)	15%	16%*–37%
Registered post-5/4/20 (WLTP)	13%	14%*–37%

*Increased for every extra 5g/km by 1% up to the maximum 37%

Diesels not meeting RDE2 standards: add 4%, up to 37% maximum

Fuel Benefit – taxable amount for private use	20/21	19/20
CO ₂ % charge used for car benefit multiplied by	£24,500	£24,100

VANS – FOR PRIVATE USE

	20/21	19/20
Zero emission: chargeable amount	£2,792	£2,058
Other vans: chargeable amount	£3,490	£3,430
Fuel: chargeable amount	£666	£655

TAX-FREE BUSINESS MILEAGE ALLOWANCE – OWN VEHICLE

Cars and vans first 10,000 miles	45p per mile	then 25p per mile
Qualifying passenger	5p per mile	
Motorcycles	24p per mile	Bicycles 20p per mile

MAIN CAPITAL AND OTHER ALLOWANCES

Plant and machinery 100% annual investment allowance (1st year)	
1/1/19 to 31/12/20	£1,000,000
From 1/1/21	£200,000
Enterprise zone plant and machinery (max €125m per project)	100%
Plant and machinery*	18%
Patent rights and know-how*	25%
Certain long-life assets and integral features of buildings*	6%
Structures and buildings (straight line)	3%
Electric charge points	100%

Motor Cars

CO ₂ emissions of g/km:	50 or less [†]	51–110	Over 110
Capital allowance:	100% first year	18% pa*	6% pa*

*Annual reducing balance

[†] New cars only

Research and Development

Capital expenditure	100%
Revenue expenditure relief – small/medium-sized companies	230%
Research and development expenditure credit – large companies	13%

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For information only

Always seek professional advice before acting



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