

**SMH** Sutton McGrath Hartley.



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**2020/21 Tax Tables**

## INCOME TAX

*\*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

*\*\*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		

## STATE PENSIONS

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

## TAX INCENTIVISED INVESTMENT

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

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

## NATIONAL INSURANCE CONTRIBUTIONS

<b>Class 1</b>	<b>Employee</b>	<b>Employer</b>
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

<b>Limits and Thresholds</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Annual</b>
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.

<b>Class 1A Employer</b>	On car and fuel benefits and most other taxable benefits provided to employees and directors	13.8%
<b>Class 2 Self-employed</b>	Flat rate per week	£3.05 (£158.60 pa)
<b>Small profits threshold</b>		
No compulsory NICs if annual profits less than		£6,475
<b>Class 4 Self-employed</b>	On annual profits of	£9,500 to £50,000: 9% Over £50,000: 2%
<b>Class 3 Voluntary</b>	flat rate per week	£15.30 (£795.60 pa)

## **CAPITAL GAINS TAX**

## 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 participators
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 CO<sub>2</sub> emissions in g/km.

## Zero emission cars no charge

### Petrol and diesel hybrids with CO<sub>2</sub> 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 CO<sub>2</sub>

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

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

## VANS – FOR PRIVATE USE

	<b>20/21</b>	<b>19/20</b>
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 <sub>2</sub> emissions of g/km:	50 or less <sup>†</sup>	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%

# **SMH** Sutton McGrath Hartley.

Sheffield - 0114 266 4432  
Chesterfield - 01246 277266  
Rotherham - 01709 377909  
Buxton - 01298 22108  
Knaresborough - 01423 787616

[info@smhca.co.uk](mailto:info@smhca.co.uk)  
[www.suttonmcgrathhartley.co.uk](http://www.suttonmcgrathhartley.co.uk)

