

Aspect8

Tax Tables 2020/21

July update



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

MAIN CAPITAL AND OTHER ALLOWANCES

Plant & machinery 100% annual investment allowance (1st year)		£1,000,000
From 1/1/21		£200,000
Enterprise zone plant & machinery (max €125m per project)		100%
Plant & machinery*		18%
Patent rights & 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*

† For new cars only

Research and development (R&D) – capital expenditure		100%
R&D revenue expenditure relief – small/medium-sized companies		230%
R&D expenditure credit – large companies		13%

VALUE ADDED TAX

Standard rate	20%	Reduced rate eg on domestic fuel and from 15/7/20 - 12/1/21 on hospitality, holiday accommodation and attractions	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 limits			£1,350,000

MAIN DUE DATES FOR TAX PAYMENT

Income Tax, NICs and Capital Gains Tax – Self-assessment

31 January in tax year	}	Normally 50% of previous year's income tax, (less tax deducted at source) and class 4 NICs
Following 31 July		
Following 31 January		Balance of income tax and class 4 NICs, class 2 NICs and balance of CGT
Inheritance Tax On death:		normally 6 months after end of month of death
Lifetime transfer 6 April–30 September:		30 April in following year
Lifetime transfer 1 October–5 April:		6 months after month of transfer

Corporation Tax – Self-assessment

- Profits under £1,500,000: 9 months + 1 day after end of accounting period
- Profits £1,500,000 or over: normally payable in 7th, 10th, 13th and 16th months after start of the accounting period
- Profits £20,000,000 or over: normally payable in 3rd, 6th, 9th and 12th months after start of the accounting period
- Growing companies: no instalments where profits are £10,000,000 or less and the company was not a large company for the previous year

SOCIAL SECURITY BENEFITS

Weekly rates and taxable unless stated otherwise.

Statutory Pay Rates

Based on minimum average earnings of at least £120pw:

Statutory Sick Pay	£95.85 standard rate
Statutory Maternity Pay & Statutory Adoption Pay	First 6 weeks: 90% average weekly pay Next 33 weeks: 90% average weekly pay up to £151.20
Statutory Paternity Pay	90% of average weekly pay up to £151.20
Shared Parental Pay	Up to 37 weeks: 90% of average weekly pay up to £151.20

Child Benefit (see 'Income Tax – High Income Child Benefit Charge')

Child benefit, first or only child	£21.05
Child benefit, each subsequent child	£13.95

National Living/ Minimum Wage (per hour) **1/4/20 – 31/3/21**

Aged 25 and over	National Living Wage	£8.72
Aged 21–24	National Minimum Wage	£8.20
Aged 18–20	National Minimum Wage	£6.45
Aged under 18	National Minimum Wage	£4.55
Apprentice	National Minimum Wage	£4.15

INCOME TAX	20/21	19/20
UK taxpayers excluding Scottish taxpayers' non-dividend, non-savings income		
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 tax on 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%
<i>*Not available if taxable non-savings income exceeds the starting rate band</i>		
Scottish taxpayers – non-dividend, non-savings income		
19% starter rate on income up to	£2,085	£2,049
20% basic rate on next slice of income 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 of £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% [†] – max	£9,075	£8,915
(if at least one born before 6/4/35) – min	£3,510	£3,450
Blind person's allowance	£2,500	£2,450
Rent-a-room relief	£7,500	£7,500
Property allowance	£1,000	£1,000
Trading allowance	£1,000	£1,000
<i>**Personal allowance reduced by £1 for every £2 of adjusted net income over £100,000</i>		
<i>†Married couple's allowance reduced by £1 for every £2 of adjusted net income over £30,200 (£29,600 for 19/20), until minimum reached</i>		
Non-domicile remittance basis charge after UK residence in at least:		
7 of the last 9 tax years	£30,000	£30,000
12 of the last 14 tax years	£60,000	£60,000

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

*State pension age reached before 6/4/16

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%	
Max. pension commencement lump sum up to	25% of pension benefit value	
<i>*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)</i>		

TAX INCENTIVISED INVESTMENT	20/21	19/20
Total Individual Savings Account (ISA) limit excluding Junior ISAs (JISAs)	£20,000	£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 Enterprise Investment Scheme (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%
<i>*Above £1,000,000 investment must be in knowledge-intensive companies</i>		

CAPITAL GAINS TAX	20/21	19/20
Tax Rates – Individuals		
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%	20%
Surcharge for residential property and carried interest	8%	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	£6,000
Business Asset Disposal 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		

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
<i>*Employees generally under 21 years and apprentices under 25 years</i>		
Employment Allowance		£4,000
Per business – not available if sole employee is a director or employer's NICs for 19/20 £100,000 or more.		
Class 1A Employer	On car and fuel benefits and most other taxable benefits provided to employees/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)	

CAR BENEFITS

Taxable amount depends on original list price and CO₂ emissions in g/km.
No charge for zero emission cars.

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

Range in miles on electricity only	<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 CO ₂ emissions over 50 g/km	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 the maximum of 37%

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 first 10,000 miles	45p per mile	then 25p qualifying passenger 5p
Motorcycles	24p per mile	Bicycles 20p per mile

CORPORATION TAX

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

STAMP DUTIES AND PROPERTY TRANSACTION TAXES

Stamp Duty and SDRT: Stocks and marketable securities 0.5%

Second residential and all corporate residential properties

£40,000 or more – add 3% to SDLT or 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	%
(from 8/7/20 - 31/3/21)			
Up to £500,000	0	Up to £150,000	0
£500,001–£925,000	5	£150,001–£250,000	2
£925,001–£1,500,000	10	Over £250,000	5
Over £1,500,000	12		

Residential property bought by companies etc. over £500,000: 15% of value

Properties bought by non-UK residents: add 3% to SDLT rates

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

Residential property	%	Commercial property	%
(from 15/7/20 - 31/3/21)			
Up to £250,000	0	Up to £150,000	0
£250,001–£325,000	5	£150,001–£250,000	1
£325,001–£750,000	10	Over £250,000	5
Over £750,000	12		

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

Residential property	%	Commercial property	%
(from 27/7/20 - 31/3/21)			
Up to £250,000	0*	Up to £150,000	0
£250,001–£400,000	5	£150,001–£250,000	1
£400,001–£750,000	7.5	£250,000–£1,000,000	5
£750,001–£1,500,000	10	Over £1,000,000	6
Over £1,500,000	12		

**For second homes, buy to let etc, 3.5% rate applies between £180,000 and £250,000.*

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