

## CORPORATION TAX

FINANCIAL YEAR (FROM 1 APRIL)	2018/19	2017/18
All profits	19%	(19%)

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

## CAPITAL ALLOWANCES

### Plant and machinery - Annual Investment Allowance (AIA)

The AIA gives a 100% write-off on most types of plant and machinery costs, including integral features and long life assets but not cars, up to £200,000 p.a.

Any costs over the AIA fall into the normal capital allowance pools below. The AIA may need to be shared between certain businesses under common ownership.

**Other plant and machinery allowances** - The annual rate of allowance is 18%. An 8% rate applies to expenditure incurred on integral features and on long life assets.

A 100% first year allowance may be available on certain energy efficient plant and cars.

**Cars** - For expenditure incurred on cars, costs are generally allocated to one of the two plant and machinery pools. Cars with CO<sub>2</sub> emissions not exceeding 130g/km receive an 18% allowance p.a. Cars with CO<sub>2</sub> emissions over 130g/km receive an 8% allowance p.a. The emissions figure is reduced to 110g/km for expenditure incurred on or after 1 April 2018.

## PENSION PREMIUMS

2018/19 and 2017/18

Tax relief available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings (max. £40,000). Any contributions in excess of £40,000, whether personal or by the employer, may be subject to income tax on the individual. The £40,000 limit may be reduced where 'adjusted income' exceeds £150,000.

The limit may be reduced to £4,000 once money purchase pensions are accessed. Where the £40,000 limit is not fully used it may be possible to carry the unused amount forward for three years.

Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively'.

## VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%
Annual Registration Limit from 01/04/2018	£85,000
Annual Deregistration Limit from 01/04/2018	£83,000

## STAMP DUTY LAND TAX: ENGLAND AND N. IRELAND

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%		
<b>Stamp duty – shares and securities</b>		0.5%	

## LAND & BUILDINGS TRANSACTION TAX: SCOTLAND

Residential	Rate	Non-residential	Rate
£0 - £145,000	0%	£0 - £150,000	0%
£145,001 - £250,000	2%	£150,001 - £350,000	3%
£250,001 - £325,000	5%	Over £350,000	4.5%
£325,001 - £750,000	10%		
Over £750,000	12%		

## LAND TRANSACTION TAX: WALES

Residential	Rate	Non-residential	Rate
£0 - £180,000	0%	£0 - £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%		



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## INCOME TAX RATES

Income tax rates (other than savings and dividend income)			
2018/19		2017/18	
Band £	Rate	Band £	Rate
£0 - £34,500	20%	(£0-£33,500)	(20%)
£34,501 - £150,000	40%	(£33,501-£150,000)	(40%)
Over £150,000	45%	(over £150,000)	(45%)

**Scotland Income tax rates** (savings and dividend income are taxed using UK rates and bands)

2018/19		2017/18	
Band £	Rate	Band £	Rate
£0 - £2,000	19%	(£0-£31,500)	(20%)
£2,001 - £12,150	20%	(£31,501-£150,000)	(40%)
£12,151 - £31,580	21%	(over £150,000)	(45%)
£31,581 - £150,000	41%		
Over £150,000	46%		

Savings Income	2018/19 and 2017/18
Starting rate for savings	0%
Starting rate limit for savings	£5,000

£1,000 of savings income for basic rate taxpayers (£500 for higher rate) may be tax free.

Dividend Income	2018/19 and 2017/18
Dividend ordinary rate	7.5%
Dividend upper rate	32.5%
Dividend additional rate	38.1%

The first £2,000 (£5,000) of dividends are tax free.

INCOME TAX RELIEFS	2018/19	2017/18
Personal allowance	£11,850 **	(£11,500)**
(Reduce personal allowance by £1 for every £2 of adjusted net income over £100,000 **£1,190 (£1,150) may be transferable between certain spouses where neither pay tax above the basic rate.		
Married couple's allowance (relief at 10%)*	£8,695	(£8,445)
(Either partner 75 or over and born before 6 April 1935)		
- min. amount	£3,360	(£3,260)
*Age allowance income limit	£28,900	(£28,000)
(Reduce age allowance by £1 for every £2 of adjusted net income over £28,900 (£28,000))		
Blind person's allowance	£2,390	(£2,320)

## CAPITAL GAINS TAX

Individuals	2018/19**	2017/18**
Exemption	£11,700	(£11,300)
Standard rate	10%	(10%)
Higher rate*	20%	(20%)
Trusts	2018/19	2017/18
Exemption	£5,850	(£5,650)
Rate	20%	(20%)

\* For higher and additional rate taxpayers

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

### Entrepreneurs' Relief and Investors' Relief

The first £10m of qualifying gains are charged at 10%. Gains in excess of the limit are charged at the rates detailed above.

## INDIVIDUAL SAVINGS ACCOUNTS

	2018/19	2017/18
Overall investment limit	£20,000	(£20,000)
Junior account limit	£4,260	(£4,128)

## NATIONAL INSURANCE

### 2018/19 Class 1 (employed) rates

Employee	Employer**
Earnings per week	% Earnings per week** %
Up to £162	Nil* Up to £162 Nil
£162.01-£892	12 Over £162 13.8**
Over £892	2

\* Entitlement to contribution-based benefits retained for earnings between £116 and £162 per week.

\*\* The rate is 0% for employees under 21 and apprentices under 25 on earnings up to £892 per week.

### Other

**Class 1A (employers):** 13.8% on employee taxable benefits.  
**Class 1B (employers):** 13.8% on PAYE Settlement Agreements.  
**Class 2 (self-employed):** £2.95 flat rate per week on profits above £6,205 p.a.

**Class 3 (voluntary):** £14.65 flat rate per week.  
**Class 4 (self-employed):** 9% on profits between £8,424 and £46,350 plus 2% on profits over £46,350.

## INHERITANCE TAX

Death rate	Lifetime rate	Chargeable Transfers 2018/19 and 2017/18
Nil	Nil	Up to £325,000 ("nil rate band")
40%	20%	Over £325,000

A further nil rate band of £125,000 (£100,000) may be available in relation to current or former residences. Nil rate bands of surviving spouses/civil partners may be increased by unused nil rate bands of deceased spouses/civil partners.

### Reliefs

Main exemptions:	Gifts on marriage:	
Annual exemption	£3,000	Parent £5,000
Small gifts	£250	Grandparent £2,500
		Bride/groom £2,500
		Other £1,000

### Reduced charge on gifts within seven years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20

## CAR, VAN AND FUEL BENEFITS

Company cars 2018/19	CO <sub>2</sub> emissions (g/km)	Percentage of car's list price taxed
13	0-50	
16	51-75	
19	76-94	
additional 1%	for every additional 5*	
up to 37% max	180 and above *	

For 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%. The list price includes accessories and is not subject to an upper limit. The list price is reduced for capital contributions made by the employee up to £5,000. Special rules may apply to cars provided for disabled employees.  
 \*If the CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

### Car fuel benefit 2018/19

£23,400 x 'appropriate percentage'\*

\*Percentage used to calculate the taxable benefit of the car for which the fuel is provided. The charge does not apply to certain environmentally friendly cars. The charge is proportionately reduced if provision of private fuel ceases part way through the year. The fuel benefit is reduced to nil only if the employee pays for all private fuel.

### Van benefit per vehicle 2018/19

Van benefit	£3,350	Fuel benefit	£633
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The charges do not apply to vans if a 'restricted private use condition' is met throughout the year. A reduced charge may be due if the van cannot in any circumstances emit CO<sub>2</sub> by being driven.

## MILEAGE ALLOWANCE PAYMENTS

2018/19 and 2017/18		
Cars and vans	Rate per mile	These rates represent the maximum tax free mileage allowances for employees using their own vehicles for business. Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.
Up to 10,000 miles	45p	
Over 10,000 miles	25p	
Bicycles	20p	
Motorcycles	24p	

## STATUTORY PAY RATES

Weekly benefit	2018/19	2017/18
Basic retirement pension - single person	£125.95	(£122.30)
- married couple	£201.45	(£195.60)
New state pension	£164.35	(£159.55)

Statutory pay rates - average weekly earnings £116 or over

Statutory Sick Pay	£92.05	(£89.35)
Statutory Maternity/Adoption Pay - first 6 weeks	90% of weekly earnings	
- next 33 weeks	£145.18* (£140.98*)	
Statutory Paternity Pay - two weeks	£145.18* (£140.98*)	

\* Or 90% of weekly earnings if lower.

## TAX RELIEFS FOR INDIVIDUALS

### 2018/19

### Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1m p.a. (£2m for knowledge intensive companies):

- Income tax relief at 30%
  - Capital gains exemption on disposal.
- Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

### Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £100,000 p.a.:

- Income tax relief at 50%
  - Capital gains exemption on disposal.
- Capital gains from the disposal of other assets may be exempt up to £50,000 p.a. by making an SEIS investment.

### Venture Capital Trusts (VCTs)

Relief on investments in certain quoted companies up to £200,000 p.a.:

- Income tax relief at 30%
  - Capital gains exemption on disposal.
- Dividends received from VCTs may be exempt from income tax.

### Social Investment Relief (SIR)

Relief on investments in certain social enterprises (inc. charities) up to £1m p.a.:

- Income tax relief at 30%
  - Capital gains exemption on disposal.
- Capital gains from the disposal of other assets may be able to be deferred by making an SIR investment up to £1m p.a.

(All reliefs subject to detailed conditions being met.)