

# Tax Rates and Thresholds

## Personal tax

### Income tax

	2010-11	2011-12
<i>The Income Tax year runs from 6 April to 5 April.</i>		

### Allowances

Personal Allowance	£6,475	£7,475
Income limit for Personal Allowance	£100,000	£100,000

*The Personal Allowance reduces where the income is above £100,000 by £1 for every £2 of income above the £100,000 limit.*

### Rates

Starting rate for savings	10%	10%
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	50%	50%
Dividends:		
Basic rate (satisfied by tax credit)	10%	10%
Higher rate	32.5%	32.5%
Additional rate	42.5%	42.5%

### Bands

Starting rate for savings	£0-£2,440	£0-£2,560
Basic rate	£0-£37,400	£0-£35,000
Higher rate	£37,401-£150,000	£35,001-£150,000
Additional rate	Over £150,000	Over £150,000

*If non-savings income is above the starting rate for savings band then the 10% starting rate for savings does not apply.*

*Income bands are used in the following order: (1) income other than dividends, other savings income and capital gains; (2) other savings income; (3) dividends.*

### Approved mileage allowance payments (cars and vans)

First 10,000 miles	40p	45p
Above 10,000 miles	25p	25p

### Capital Gains Tax

	2010-11	2011-12
Annual exemption	£10,100	£10,600
Basic rate	18%	18%
Higher rate	28%	28%
Entrepreneurs' relief:		
Lifetime limit	£5,000,000	£10,000,000
Flat rate	10%	10%

## Indirect tax

### Value Added Tax

	2010-11	2011-12
Registration threshold	£70,000	£73,000
Special rate	5%	5%
Standard rate 1 Jan 2010 to 3 Jan 2011	17.50%	
Standard rate from 4 January 2011	20%	20%

## National Insurance

	2010-11	2011-12
<b>Earnings limit or threshold</b>		
Lower earnings limit (LEL)	£5,044	£5,304
Secondary threshold (ST)	£5,715	£7,072
Primary threshold (PT)	£5,715	£7,225
Upper earnings limit (UEL)	£43,875	£42,475
<b>Rates</b>		
<b>Class 1: employee (category A)</b>		
Below LEL	Nil	Nil
From LEL up to and including PT	0%	0%
Above PT up to an including UEL	11%	12%
Above UEL	1%	2%
<b>Class 1: employer (category A)</b>		
Up to and including ST	0%	0%
Above ST	12.8%	13.8%
<b>Class 1a: employer</b>		
Most taxable employee benefits	12.8%	13.8%
<b>Class 2: self-employed</b>		
Small earnings exemption	£5,075	£5,315
Flat rate	£124.80	£130
<b>Class 4: self-employed</b>		
Lower profits limit	£5,715	£7,225
Upper profits limit	£43,875	£42,475
Between lower and upper profits limits	8%	9%
Above upper profits limit	1%	2%

## Business tax

### Corporation Tax

	2010-11	2011-12
<i>The Corporation Tax year runs from 1 April to 31 March but companies are assessed on their accounting period.</i>		
<b>Rates</b>		
Small profits rate	21%	20%
Marginal rate	29.75%	27.5%
Main rate	28%	26%
<b>Bands</b>		
Small profits rate	£0-£300,000	£0-£300,000
Marginal rate	£300,000-£1,500,000	£300,000-£1,500,000
Main rate	Over £1,500,000	Over £1,500,000
<i>The relevant profit limits are reduced where a company is associated with other companies.</i>		
<b>Research and development tax relief</b>		
Additional deduction for SMEs (EC)	75%	100%
<b>Capital allowances</b>		
Annual Investment Allowance	£100,000	£100,000
First Year Allowance	40%	40%
Writing Down Allowance	20%	20%

Prepared by Rosemount Accounting Services Ltd, 29 March 2011

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