

MAIN CHANGES IN 2016/17

- Income Tax Rates at: 20% on first £32,000 Taxable Income (£31,785): then @ 40%.
Additional Rate: 45% above £150,000 (45%).
- Personal Allowance £11,000 (£10,600).
- NIC Employees 12% on £155 - £827 p.wk (12% on £155 - £815)
2% above £827 (2% above £815)
Employers 13.8% above £156 p.wk (13.8% above £156).
- Self Employed Increased to 9% £8,060-£43,000 (£8,060-£42,385). Excess at 2%.
- Company Car Benefit CO₂ Threshold 76 gm/km @ 15%/18% BIK (100 gm/km).
 - Fuel Scale Charge Multiplier £22,200 (£22,100).
 - Van BIK £3,170 + Fuel £598 (£3,150 + £594).
- VAT Registration Limit £83,000 (£82,000). De-registration Limit £81,000 (£80,000).
- Dividends Taxation

First £5,000 Allowance	@	0%
Basic Rate £5,000 - £32,000		7.5%
Higher Rate £32,000 +		32.5%
Additional Rate £150,000 +		38.1%

1/9 Dividend Credits Abolished. Rates Applied to Each Slice
- Corporation Tax 20% (21%). Small Companies 20% (20%).
- Annual Investment Allowance 1.1.2016 £200,000 (£500,000).
- Pensions Contributions Limit £40,000 (£40,000). Lifetime Allowance £1.25m (£1.25m).
- Capital Gains Allowance £11,100 (£11,100). Tax Rate @ 10% / 20% (18% / 28%).

The **BCS** Partnership provide:-

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- ~ Car Allowance Plans
- ~ Employee Share Option Plans & IR35



The content of Tax Focus is intended to provide a general guide to the main tax rates and should not be regarded as a basis for ascertaining liability to tax or determining investment strategy. Specialist advice should be taken.

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TAX FOCUS

2016/17

Based on the Budget Speech Wednesday 16th March 2016

For a full summary visit our website at www.bcspart.co.uk



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INCOME TAX RATES

TAX RATES	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Earned Income	Taxable Earned Income £'s p.a.						
20% Basic Rate	First 32,000	31,785	31,865	32,010	34,370	35,000	37,400
40% Higher Rate	Above 32,000+	31,786+	31,866+	32,011+	34,371+	35,000+	37,400+
45% Additional Rate	Above 150,000+	150,000+	150,000+	150,000+			
50% Additional Rate	Above				150,000+	150,000+	150,000+
Other Income	2016/17 - Savings Allowance - First £1,000 @ 0% Basic Rate Payers (£500 For Higher Rate)						
Savings Income (only)	10%/20%*	10%/20%*	10%/20%*	10%/20%*	10%/20%*	10%/20%*	10%/20%*
Higher Rate	40%	40%	40%	40%	40%	40%	40%
Discretionary Trusts**	20%/45%	20%/45%	20%/45%	20%/50%	20%/50%	20%/50%	20%/40%
Dividends (Gross Rate***)	7.5/32.5%	10%/32.5%	10%/32.5%	10%/32.5%	10%/32.5%	10%/32.5%	10%/32.5%
2016/17 Tax Credit Abolished	38.1%	37.5%	37.5%	37.5%	37.5%	37.5%	37.5%
Trust Dividends	45%/38.1%	45.0%	45.0%	45.0%	42.5%	42.5%	42.5%

* 0% If Income below £5,000 ** Above £1,000 2011/12 (Previously £500) *** 2016/17 £5,000 Allowance

MAIN ALLOWANCES

£'s p.a.	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Personal-Earned	11,000 *	10,600*	10,000*	9,440*	8,105*	7,475*	6,475*
Married Ailce. Transferable	1,100 ^d	1,060 ^d					
Married Couple 77+**	8,355 ³	8,355 ³	8,165 ³	7,915 ³	7,705	7,295	6,965
Age Relief 65-74	11,000	10,600 ¹	10,500 ¹	10,500 ¹	10,500	9,490	9,490
Age Relief 75+	11,000	10,660 ²	10,660 ²	10,660 ²	10,660	10,090	9,640
Age Ailce. Income Limit	27,700	27,000	27,000	26,100	25,400	24,000	22,900
Widows Bereavement						2,800	2,670
Blind Person	2,290	2,290	2,230	2,160	2,100	1,980	1,890
Child Tax Credit (Family)	2,780	2,780	2,750	2,720	2,690	2,555	2,300

* Tapered to £Nil if Income £100,000 - £120,000 ** Restricted to 10% Tax. From 6/4/2000 - born pre 6/4/1935

¹ If Born 6.4.1938-05.4.1948 ² If Born pre 6.4.1938 ³ Reduced £1/£2 if income over £27,000. ⁴ Basic Rate Only.

NATIONAL INSURANCE CONTRIBUTIONS

Contracted In	2016/17	2015/16	2014/15	2013/4	2012/13	2011/12	2010/11
Employee	Employed Earnings						
Class 1 LEL - UEL	£112-£827	£112-£815	£111-£805	£109-£797	£107-£817	£102-£817	£97-£844
Primary Threshold First @ 0% (PT)	£155 p.w.	£155 p.w.	£153 p.w.	£149 p.w.	£146 p.w.	£139 p.w.	£110 p.w.
Next *	£155-£827	£155-£815	£153-£805	£149-£797	£146-£817	£139-£817	£110-£844
PT - UEL @	12%	12%	12%	12%	12%	12%	11%
Above UEL @	2%	2%	2%	2%	2%	2%	1%
	* Where Earnings Exceed Lower Earnings Limit						
Employer	Employed Earnings						
Secondary Class 1	£156 wk	£156 wk	£153 wk	£148 wk	£144 wk	£136 wk	£110 wk
@	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	12.8%
Class IA (BIKs)	13.8%	13.8%	13.8%	13.8%	13.8%	13.8%	12.8%
Employer Allowance	£3,000*	£2,000	£2,000				
	* £Nil for Sole Director/Employee						
Contracted Out							
Rebates: MPS	NIL	NIL	NIL	NIL	1.4%	1.4%	1.4%
£112-£155 Final Salary - Er's	NIL	3.4%	3.4%	3.4%	3.4%	3.7%	3.7%
Salary Related - Ee's	NIL	1.4%	1.4%	1.4%	1.4%	1.6%	1.6%
Class 2 - Self Employed	£2.80 p.w.	£2.80 p.w.	£2.75 p.w.	£2.70 p.w.	£2.65 p.w.	£2.50 p.w.	£2.40 p.w.
If Taxable Profits Above	£5,965 p.a.	£5,965 p.a.	£5,885 p.a.	£5,725 p.a.	£5,595 p.a.	£5,315 p.a.	£5,075 p.a.
Class 3 - Voluntary	£14.10 p.w.	£14.10 p.w.	£13.90 p.w.	£13.55 p.w.	£13.25 p.w.	£12.60 p.w.	£12.05 p.w.
Class 4 - Self Employed							
On Profits Above	9%	9%	9%	9%	9%	9%	8%
Up To	£8,060-	£8,060-	£7,956-	£7,755-	£7,605-	£7,225-	£5,715-
Excess @	£43,000	£42,385	£41,865	£41,450	£42,475	£42,475	£43,875
	2%	2%	2%	2%	2%	2%	1%

COMPANY CAR SCALE BENEFITS

	2016/7	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Cars - Vehicle Benefit	% of P11D List Price						
Petrol	Std. 15%	15%	15%	15%	15%	15%	15%
Diesel	Std. 18%	18%	18%	18%	18%	18%	18%
CO ₂ Base	76	100	110	115	120	125	130
+ 1% per 5 gm/km	Max 37%	Max 37%	Max. 35%	Max. 35%	Max. 35%	Max. 35%	Max. 35%
	* £80,000 Limit & QUALEC Discounts Withdrawn April 2011. Diesel Euro IV 3% Discount withdrawn 1.1.2006						
Private Fuel Benefit - All Cars - Petrol and Diesel	From April 2003 Based on Vehicle CO ₂ Emissions Benefit %						
	CO ₂ %	CO ₂ %	CO ₂ %	CO ₂ %	CO ₂ %	CO ₂ %	CO ₂ %
	x	x	x	x	x	x	x
Car Fuel Benefit	£22,200	£22,100	£21,700	£21,100	£20,200	£18,800	£18,000
Van (Excl. Fuel)**	£3,170	£3,150	£3,090	£3,000	£3,000	£3,000	£3,000
Fuel Scale**	£598	£594	£581	£550	£550	£550	£500
	** £NIL if no private use						

Approved Mileage Rates (AMRs)

	ppm	ppm	ppm	ppm	ppm	ppm	ppm
All Cars	45	45	45	45	45	40	40
1st 10,000 miles	25	25	25	25	25	25	25
Over 10,000 miles							

April 2002 First 10,000 business miles @ 40ppm (Previously 4,000 miles) Excess @ 25ppm

CAPITAL TAXES AND RELIEFS

Personal Allowance	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Inheritance Tax 0% Rate	£325,000*	£325,000*	£325,000*	£325,000*	£325,000*	£325,000*	£325,000*
Thereafter	40%	40%	40%	40%	40%	40%	40%
	Per Spouse/Civil Partner						
Capital Gains - Basic Rate	10%*	18%	18%	18%	18%	18%	18% +
- Higher Rate	20%*	28%	28%	28%	28%	28%	28% +
Personal Allowance	£11,100	£11,100	£11,000	£10,900	£10,600	£10,600	£10,100
Entrepreneur Relief	1/2**	4/9	4/9	4/9	4/9	4/9	4/9
LifeTime Allowance	£10m	£10m	£10m	£10m	£10m	£10m	£5m
	* 18%/28% For Second Homes ** = 10% CGT Rate + From 23.6.2010 Taper & Indexation Relief Withdrawn April 2008						
Gift Aid (Max Benefit) @ 5%	£2,500	£2,500	£2,500	£2,500	£2,500	£2,500	£500
Pensions Limit £ p.a.	£40,000**	£40,000	£40,000	£50,000	£50,000	£255,000	£245,000
Lifetime Allowance	£1.00m	£1.25m	£1.25m	£1.5m	£1.8m	£1.8m	£1.75m
	** Tapered to £10,000 by £1/£2 When Earnings Above £150,000 including pension contributions.						
Corporation Tax (1st April)							
First £300,000 (SPR)	20%	20%	20%	20%	20%	20%	21%
£300,000 - £1,200,000 (EMR)	20%	20%	21.25%	23.75%	25%	27.5%	29.75%
Over £1,500,000	20%	20%	21%	23%	24%	26%	28%
Marginal Rate Fraction	N/A	N/A	1/400	3/400	1/100	3/200	7/400
Annual Investment Ailce	£200,000+	£500,000*	£500,000	£250,000*	£25,000	£100,000	£100,000
Plant & Machinery WDA	18%**	18%**	18%**	18%	18%	20%	20%

** 'Other' Assets & Long Life Assets @ 8% + From 1.1.2016 * 1.4.2014 - 31.12.2015 ?500,000 1.1.2013 - 31.3.2014 £250,000

VALUE ADDED TAX

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
Standard Rate	20%	20%	20%	20%	20%	20%***	17.5%
VAT Fraction	1/6	1/6	1/6	1/6	1/6	1/6	7/47
Registration Limit	£83,000	£82,000	£81,000	£79,000	£77,000	£73,000	£70,000
De-registration Limit	£81,000	£80,000	£79,000	£77,000	£75,000	£71,000	£68,000
Cash Accounting	£1.35m*	£1.35m*	£1.35m*	£1.35m*	£1.35m*	£1.35m*	£1.35m*

* £1.6m De-registration limit if already using Cash Accounting. ** From 4.1.2011