



M.B. McGRADY & Co

CHARTERED ACCOUNTANTS

Tax Rates 2012/13



INCOME TAX RATES

2012/13		2011/12	
Band £	Rate %	Band £	Rate %
0 - 2,710	10*	0 - 2,560	10*
0 - 34,370	20**	0 - 35,000	20**
34,371 - 150,000	40♦	35,001 - 150,000	40♦
Over 150,000	50•	Over 150,000	50•

*Only applicable to dividends and savings income. The 10% rate is not available if taxable non-savings income exceeds £2,710 (£2,560).

**Except dividends (10%).

♦ Except dividends (32.5%).

• Except dividends (42.5%).

Other income taxed first, then savings income and finally dividends.

INCOME TAX RELIEFS

	2012/13 £	2011/12 £
Personal allowance		
- under 65	8,105	7,475
- 65 - 74*	10,500	9,940
- 75 and over*	10,660	10,090
(Reduce personal allowance by £1 for every £2 of adjusted net income over £100,000.)		
Married couple's allowance (relief at 10%)*	7,705	7,295
(Either partner 75 or over and born before 6 April 1935.)		
- min. amount	2,960	2,800
*Age allowance income limit	25,400	24,000
(Reduce age allowance by £1 for every £2 of adjusted net income over £25,400 (£24,000).)		
Blind person's allowance	2,100	1,980

TAX CREDITS

	2012/13 £	2011/12 £
Working Tax Credit		
Basic element - max.	1,920	1,920
Childcare element		
70% of eligible costs up to £175 per week (£300 if two or more children).		
Child Tax Credit (CTC)		
Child element		
per child - max.	2,690	2,555
Family element	545	545

Reductions in maximum rates

41% of income above £6,420* p.a.

*If only CTC is claimed, the threshold is £15,860 p.a. The family element of CTC tapers immediately after the child element from April 2012. The withdrawal rate is 41%.

PENSION PREMIUMS

2012/13 and 2011/12

- Tax relief available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings.
- Any contributions in excess of £50,000, whether personal or by the employer, may be subject to income tax on the individual.
- Where the £50,000 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'. Tax relief for large contributions may be spread over several years.

CAR, VAN AND FUEL BENEFITS

2012/13

CO ₂ emissions (gm/km) (round down to nearest 5gm/km)	% of car's list price taxed
up to 99	10
100	11
105	12
110	13
115	14
120	15
125	16
130	17
135	18
140	19
145	20
150	21
155	22
160	23
165	24
170	25
175	26
180	27
185	28
190	29
195	30
200	31
205	32
210	33
215	34
220 and above	35

Company cars

- For diesel cars add a 3% supplement but maximum still 35%.
- A 0% rate applies to cars which cannot emit CO₂ when driven.
- A 5% rate applies to cars with emissions which do not exceed 75gm/km when driven. The diesel supplement can apply to 75gm/km cars.
- For cars registered before 1 January 1998 the charge is based on engine size.
- 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.

Car fuel benefit 2012/13

£20,200 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

2012/13 and 2011/12

Van benefit £3,000 Fuel benefit £550

The charges do not apply to vans which cannot emit CO₂ when driven or if a 'restricted private use condition' is met throughout the year.

MILEAGE ALLOWANCE PAYMENTS

2012/13 and 2011/12

Cars and vans

Up to 10,000 miles

Over 10,000 miles

Bicycles

Motorcycles

Rate per mile

45p

25p

20p

24p

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.

INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

2012/13

2011/12

Overall annual investment limit

£11,280

£10,680

Comprising - cash up to

£5,640 max.

£5,340 max.

- balance in stocks and shares

£11,280 max.

£10,680 max.

CORPORATION TAX

	Year to 31.3.13		Year to 31.3.12	
	Profits band £	Rate %	Profits band £	Rate %
Small profits rate	0 - 300,000	20*	0 - 300,000	20*
Marginal (small profits) rate	300,001 - 1,500,000	25*	300,001 - 1,500,000	27.5*
Main rate	Over 1,500,000	24*	Over 1,500,000	26*
Standard fraction		1/100*		3/200*

The profits limits are reduced for accounting periods of less than 12 months and for a company with associated companies.

*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, of up to £25,000 p.a. (£100,000 for expenditure incurred before 6 April 2012 (1 April 2012 for companies). Special rules apply for accounting periods straddling these dates.)

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% (20%) from 6 April 2012 (1 April 2012 for companies). An 8% (10%) rate applies from 6 April 2012 (1 April 2012 for companies) to expenditure incurred on integral features and on long life assets. Special rules apply to accounting periods straddling these dates.

A 100% first year allowance may be available on certain energy efficient plant and cars, including expenditure incurred on new and unused zero emission goods vehicles on or after 6 April 2010 (1 April 2010 for companies).

Cars

For expenditure incurred on cars on or after 6 April 2009 (1 April 2009 for companies), costs are generally allocated to one of the two plant and machinery pools. Cars with CO₂ emissions not exceeding 160gm/km receive an 18% (20%) allowance p.a. Cars with CO₂ emissions over 160gm/km receive an 8% (10%) allowance p.a. Special rules apply to accounting periods straddling 6 April 2012 (1 April 2012 for companies).

VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%
Annual Registration Limit - from 1.4.12 (1.4.11 - 31.3.12	£73,000) £77,000
Annual Deregistration Limit - from 1.4.12 (1.4.11 - 31.3.12	£71,000) £75,000

CAPITAL GAINS TAX

2012/13 and 2011/12

Individuals

Exemption	£ 10,600
Standard rate	18%
Higher rate*	28%

Trusts

Exemption	£ 5,300
Rate	28%

*For higher and additional rate taxpayers.

Entrepreneurs' Relief

For disposals on or after 6 April 2011 the first £10m (£5m for disposals on or after 23 June 2010 and before 6 April 2011) of qualifying gains are charged at 10%. Gains in excess of the limit are charged at the rates detailed above.

INHERITANCE TAX

Death rate

%
Nil
40

Lifetime rate

%
Nil
20

Chargeable transfers 2012/13 and 2011/12

£'000
0 - 325*
Over 325*

*Potentially increased for surviving spouses or civil partners who die on or after 9 October 2007.

Reliefs

Annual exemption	£3,000	Marriage - 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

STAMP DUTY AND STAMP DUTY LAND TAX

Land and buildings (on full consideration paid)

Rate	Residential property*		Non-residential
	Disadvantaged areas [†]	Other	
	£	£	
Nil	0 - 150,000	0 - 125,000	0 - 150,000
1%*	150,001 - 250,000*	125,001 - 250,000*	150,001 - 250,000
3%	250,001 - 500,000	250,001 - 500,000	250,001 - 500,000
4%	500,001 - 1,000,000	500,001 - 1,000,000	Over 500,000
5%**	1,000,001 - 2,000,000	1,000,001 - 2,000,000	-
7% [•]	Over 2,000,000 [•]	Over 2,000,000 [•]	-

* Relief available for first time buyers for transactions with an effective date on or after 25 March 2010 and before 25 March 2012.

**For transactions with an effective date on or after 6 April 2011 over £1m.

• For transactions with an effective date on or after 22 March 2012.

† The rules for disadvantaged areas are withdrawn for transactions with an effective date on or after 6 April 2013.

Shares and securities - rate 0.5%.

NATIONAL INSURANCE

2012/13 Class 1 (employed) contracted in rates

Employee		Employer	
Earnings per week	%	Earnings per week	%
Up to £146	Nil*	Up to £144	Nil
£146.01 - £817	12	Over £144	13.8
Over £817	2		

*Entitlement to contribution-based benefits retained for earnings between £107 and £146 per week.

Class 1A (employers)	13.8% on employee taxable benefits
Class 1B (employers)	13.8% on PAYE Settlement Agreements
Class 2 (self-employed)	flat rate per week £2.65 small earnings exception £5,595 p.a.
Class 3 (voluntary)	flat rate per week £13.25
Class 4 (self-employed)	9% on profits between £7,605 and £42,475 plus 2% on profits over £42,475

MAIN SOCIAL SECURITY BENEFITS

Weekly benefit	2012/13	2011/12
Basic retirement pension - single person	£107.45	£102.15
- married couple	£171.85	£163.35
Statutory pay rates - average weekly earnings £107 (£102) or over		
Statutory Sick Pay	£85.85	£81.60
Statutory Maternity Pay		
First six weeks	90% of weekly earnings	
Next 33 weeks	£135.45*	£128.73*
Statutory Paternity Pay - two weeks	£135.45*	£128.73*
Statutory Adoption Pay - 39 weeks	£135.45*	£128.73*

*Or 90% of weekly earnings if lower.

Additional Paternity Pay and Leave may be available for a child due or adoptions matched on or after 3 April 2011.

SELF ASSESSMENT: KEY DATES 2012/13

31 July 2012 - Second payment on account for 2011/12.

5 October 2012 - Deadline for notifying HMRC of new sources of income if no tax return has been issued for 2011/12.

31 October 2012 - Deadline for submission of 2011/12 non-electronic returns.

31 January 2013 - Deadline for filing electronic tax returns for 2011/12.

Balancing payment due for 2011/12. First payment on account due for 2012/13.

Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

2012

	January	February	March	April
Mon	30 2 9 16 23	6 13 20 27	5 12 19 26	30 2 9 16 23
Tue	31 3 10 17 24	7 14 21 28	6 13 20 27	3 10 17 24
Wed	4 11 18 25	1 8 15 22 29	7 14 21 28	4 11 18 25
Thu	5 12 19 26	2 9 16 23	1 8 15 22 29	5 12 19 26
Fri	6 13 20 27	3 10 17 24	2 9 16 23 30	6 13 20 27
Sat	7 14 21 28	4 11 18 25	3 10 17 24 31	7 14 21 28
Sun	1 8 15 22 29	5 12 19 26	4 11 18 25	1 8 15 22 29

	May	June	July	August
Mon	7 14 21 28	4 11 18 25	30 2 9 16 23	6 13 20 27
Tue	1 8 15 22 29	5 12 19 26	31 3 10 17 24	7 14 21 28
Wed	2 9 16 23 30	6 13 20 27	4 11 18 25	1 8 15 22 29
Thu	3 10 17 24 31	7 14 21 28	5 12 19 26	2 9 16 23 30
Fri	4 11 18 25	1 8 15 22 29	6 13 20 27	3 10 17 24 31
Sat	5 12 19 26	2 9 16 23 30	7 14 21 28	4 11 18 25
Sun	6 13 20 27	3 10 17 24	1 8 15 22 29	5 12 19 26

	September	October	November	December
Mon	3 10 17 24	1 8 15 22 29	5 12 19 26	31 3 10 17 24
Tue	4 11 18 25	2 9 16 23 30	6 13 20 27	4 11 18 25
Wed	5 12 19 26	3 10 17 24 31	7 14 21 28	5 12 19 26
Thu	6 13 20 27	4 11 18 25	1 8 15 22 29	6 13 20 27
Fri	7 14 21 28	5 12 19 26	2 9 16 23 30	7 14 21 28
Sat	1 8 15 22 29	6 13 20 27	3 10 17 24	1 8 15 22 29
Sun	2 9 16 23 30	7 14 21 28	4 11 18 25	2 9 16 23 30

2013

	January	February	March	April
Mon	7 14 21 28	4 11 18 25	4 11 18 25	1 8 15 22 29
Tue	1 8 15 22 29	5 12 19 26	5 12 19 26	2 9 16 23 30
Wed	2 9 16 23 30	6 13 20 27	6 13 20 27	3 10 17 24
Thu	3 10 17 24 31	7 14 21 28	7 14 21 28	4 11 18 25
Fri	4 11 18 25	1 8 15 22	1 8 15 22 29	5 12 19 26
Sat	5 12 19 26	2 9 16 23	2 9 16 23 30	6 13 20 27
Sun	6 13 20 27	3 10 17 24	3 10 17 24 31	7 14 21 28



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CHARTERED ACCOUNTANTS

Our comprehensive range of services includes:

ACCOUNTANCY & AUDIT

- ▼ Accounts preparation & audit
- ▼ Systems implementation & review
- ▼ Book-keeping

TAXATION

- ▼ Business & corporate taxes
- ▼ Personal & capital gains taxes
- ▼ Inheritance tax, trust taxation, & estate planning
- ▼ PAYE
- ▼ VAT

MANAGEMENT CONSULTANCY

- ▼ Fundraising
- ▼ Business & community development, & sports funding
- ▼ Business structures, buyouts, & acquisitions
- ▼ Accounting recruitment
- ▼ Business valuations

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