



MOORE Kingston Smith

TAX FACTS

2019/20



INCOME TAX RATES (EXCLUDING SCOTLAND) 2019/20 2018/19

Savings allowance – tax rate of 0% on savings income:

• Basic rate taxpayers	£1,000	£1,000
• Higher rate taxpayers	£500	£500
• Additional rate taxpayers	£0	£0

Starting rate band* – tax rate of 0% on savings income up to:

£5,000 2019/20 £5,000 2018/19

Basic rate band – tax rate of 20% on savings and non-savings income up to:

£37,500 2019/20 £34,500 2018/19

Higher rate band – tax rate of 40% on savings and non-savings income

£37,501 – £150,000 2019/20 £34,501 – £150,000 2018/19

Additional rate band – tax rate of 45% on savings and non-savings income

£150,000+ 2019/20 £150,000+ 2018/19

Dividend allowance – tax rate of 0% on dividend income up to:

£2,000 2019/20 £2,000 2018/19

Tax rates on dividends:

• Basic rate band	7.5%	7.5%
• Higher rate band	32.5%	32.5%
• Additional rate band	38.1%	38.1%

Rates applicable to trusts dividends

38.1% 2019/20 38.1% 2018/19

Other income

45% 2019/20 45% 2018/19

*Not available if taxable non-savings income exceeds the starting rate limit.

Higher income child benefit charge

1% of benefit per £100 of income from £50,000 to £60,000

MAIN PERSONAL ALLOWANCES

2019/20 2018/19

Personal allowance* £12,500 2019/20 £11,850 2018/19

Transferable tax allowance for married couples

£1,250 2019/20 £1,190 2018/19

Married couples'/civil partners' allowance at 10%† (if at least one born pre 6/4/35)

– maximum £8,915 2019/20 £8,695 2018/19

– minimum £3,450 2019/20 £3,360 2018/19

Rent-a-room tax-free income

£7,500 2019/20 £7,500 2018/19

*Reduced by £1 for every £2 of income over £100,000.

†Allowance reduced by £1 for every £2 of income over £29,600

(£28,900 2018/19).

NON-DOMICILE REMITTANCE BASIS CHARGE 2019/20 2018/19

After UK residence in at least:

• 7 of the last 9 tax years £30,000 2019/20 £30,000 2018/19

• 12 of the last 14 tax years £60,000 2019/20 £60,000 2018/19

ENTERPRISE MANAGEMENT INCENTIVE (EMI) SCHEMES

A tax-advantaged share option scheme to help eligible smaller companies recruit and retain staff.

- No Income Tax on acquiring shares unless the exercise price is less than the market value at date of grant.
- No formal approval required.
- Open to any number of employees.
- The maximum value of options per employee is £250,000, subject to an overall limit of £3 million worth of shares.

TAX-EFFICIENT INVESTMENTS 2019/20

Individual Savings Accounts

ISA - annual limit	£20,000
Junior ISA/Child Trust Fund – annual limit	£4,368
Lifetime ISA – annual limit	£4,000
Help to Buy ISA - limits	£1,000 initial and £200 per month

Enterprise Investment Scheme, Seed Enterprise Investment Scheme and Venture Capital Trusts

	EIS	SEIS	VCT
Income Tax relief	30%	50%	30%
Maximum investment	£1,000,000*	£100,000	£200,000

Certain types of asset-backed investments are excluded.

*£2,000,000 for knowledge-intensive companies.

EIS and SEIS

- Carry back to 2018/19 subject to the maximum investment limit.
- 3-year holding period for Income Tax relief and CGT exemption on sale.
- CGT reinvestment relief also available.

VCT

- Shareholders are exempt from tax on dividends.
- Disposals are exempt from Capital Gains Tax.
- 5 year holding period for Income Tax Relief.

NATIONAL INSURANCE CONTRIBUTIONS 2019/20

Class 1

Employees	%
First £118.00 per week	Nil
Next £48.00 per week	*0
Next £796.00 per week	12
Above £962.00 per week	2

Employers	% Employees Under 21†	% Employees 21 & over†
First £118.00 per week	Nil	Nil
Next £48.00 per week	0	0
Next £796.00 per week	0	13.8
Above £962.00 per week	13.8	13.8

* Treated as paid Class 1 NIC. † Age 25 if an apprentice.

Employment Allowance

Offset against employer's Class 1 NICs £3,000

Not available if a director is the sole employee.

Class 1A Paid by employers on benefits in kind – 13.8%.

Class 1B Paid by employers on PAYE settlement agreements – 13.8%.

Class 2 Paid by self-employed – £3.00 per week.
Exemption available if net earnings below £6,365.

Class 3 Voluntary rate – £15.00 per week.

Class 4 Paid by self-employed – 9% of profits between £8,632 and £50,000 plus 2% of profits above £50,000.

CAR BENEFITS 2019/20

Taxable benefit is a percentage of a car's list price when new.
The percentage is based on CO₂ emissions in grams per kilometre.

CO ₂ emissions g/km	Petrol %	Diesel %	CO ₂ emissions g/km	Petrol %	Diesel %
0-50	16	20	125-129	29	33
51-75	19	23	130-134	30	34
76-94	22	26	135-139	31	35
95-99	23	27	140-144	32	36
100-104	24	28	145-149	33	37
105-109	25	29	150-154	34	37
110-114	26	30	155-159	35	37
115-119	27	31	160-164	36	37
120-124	28	32	165 and over	37	37

Private Fuel

Apply the car benefit percentage to: £24,100

VANS – FOR PRIVATE USE

	2019/20	2018/19
Zero emission: chargeable amount	£2,004	£1,340
Other vans: chargeable amount	£3,430	£3,350
Fuel: chargeable amount	£655	£633

TAX-FREE MILEAGE ALLOWANCE – OWN VEHICLE

Cars: 45p per mile first 10,000 business miles then 25p per mile
Qualifying passenger: 5p per business mile
Motorcycles: 24p per business mile
Bicycles: 20p per business mile

PENSIONS

	2019/20	2018/19
Lifetime allowance	£1,055,000	£1,030,000
Annual allowance*	£40,000	£40,000
Money purchase annual allowance	£4,000	£4,000

*Subject to 50% taper down to £10,000 if threshold income over £110,000 and adjusted income over £150,000.

Lifetime allowance charge 55% if excess drawn as cash
25% if excess drawn as income

Maximum relievable personal contribution capped by the annual allowance and the greater of 100% of relevant earnings and £3,600.

Maximum pension commencement lump sum 25% of pension benefit value.

STATE PENSIONS

	2019/20	2018/19
Single tier per week*	£168.60	£164.35
Basic – single person per week†	£129.20	£125.95
Basic – spouse's/civil partner's per week†	£77.45	£75.50

*State pension age reached after 5/4/16.

†State pension age reached before 6/4/16.

CAPITAL GAINS TAX

Exemptions	2019/20	2018/19
Individuals, estates, certain trusts	£12,000	£11,700
Trusts generally	£6,000	£5,850
Chattels exemptions-proceeds up to:	£6,000	£6,000

Tax rates – individuals

Up to basic rate limit	10%	10%
Above basic rate limit	20%	20%

Tax rates – trusts and estates	20%	20%
Surcharge for residential property and carried interest	8%	8%

Entrepreneurs' relief

10% on lifetime limit of: £10,000,000 £10,000,000
For trading businesses and companies (minimum 5% employee/director shareholding) held for at least 2 years.

Investors' relief

10% on lifetime limit of: £10,000,000 £10,000,000
For newly issued shares in unlisted trading companies held for at least 3 years (not generally available for existing employees/officers).

INHERITANCE TAX

Taxable estate & gifts	2019/20	2018/19
Nil-rate band	£325,000	£325,000
Residence nil-rate band*	£150,000	£125,000
Rate of tax on excess	40%†	40%†
Chargeable lifetime transfers	20%	20%

*for estates over £2,000,000 tapered by 50% of excess.

† 36% where at least 10% of net estate left to charity.

Main exemptions

Annual gifts per donor – £3,000. Small gifts per donee – £250.

Gifts within 7 years of death	0-3	3-4	4-5	5-6	6-7
% of death rate charge	100	80	60	40	20

Nil-rate band transfers

The unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the surviving spouse's/civil partner's death.

STAMP DUTY

Stocks and marketable securities 0.5%
No charge to Stamp Duty unless the duty exceeds £5.

Stamp Duty Land Tax for England and Northern Ireland Residential (on slice of property value)

£125,000 or less	Nil
£125,001 – £250,000	2%
£250,001 – £925,000	5%
£925,001 – £1,500,000	10%
Over £1,500,000	12%

• Rates increased by 3% for additional properties over £40,000.

• Flat 15% rate where consideration is more than £500,000, and purchaser is a non-natural person such as a company (subject to reliefs).

• Relief for first-time buyers purchasing a property for £500,000 or less.

Commercial (on slice of property value)

£150,000 or less	Nil
£150,001 – £250,000	2%
Over £250,000	5%

VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%
Registration threshold from 1/4/19	£85,000
Deregistration threshold from 1/4/19	£83,000
Flat rate scheme turnover limit	£150,000
Cash and annual accounting schemes turnover limit	£1,350,000

Please see our VAT Facts card for more detailed information.

ANNUAL TAX ON ENVELOPED DWELLINGS (ATED)

Payable each year by certain companies, partnerships or collective investment vehicles owning residential property in the UK.

Residential property value	2019/20	2018/19
£500,001 – £1,000,000	£3,650	£3,600
£1,000,001 – £2,000,000	£7,400	£7,250
£2,000,001 – £5,000,000	£24,800	£24,250
£5,000,001 – £10,000,000	£57,900	£56,550
£10,000,001 – £20,000,000	£116,110	£113,400
Over £20,000,000	£232,350	£226,950

Relief is available from the charge where certain qualifying conditions are satisfied.

CORPORATION TAX

	Profits
Year to 31/3/20	19%
Year to 31/3/19	19%

CAPITAL ALLOWANCES

Annual Investment Allowance of 100% (from 1 January 2019 to 31 December 2020)	£1,000,000
Main rate for plant and machinery	18% [†]
Certain long-life assets and integral features in buildings	6% [†]
Structures and buildings (from 29 October 2018)	2% [§]

Motor cars

CO ₂ emissions of g/km:	75 or less*	76–130	131 or more
Capital allowance:	100% first year	18% pa [†]	6% pa [†]

*Only for new cars. [†]Reducing balance. [§] Straight line.

RESEARCH AND DEVELOPMENT

Capital expenditure	100%
Revenue expenditure – small/medium-sized companies	230%
Large companies can claim an above-the-line tax credit of 12% of qualifying revenue expenditure.	

FINANCIAL CALENDAR 2019/20

EVERY MONTH

- 1 Corporation tax due for companies (other than large companies) with years ending 9 months and a day previously, e.g. tax due 1 October 2019 for years ending 31 December 2018.
- 14 Quarterly instalments of corporation tax due for large and very large companies (month depends on accounting year end).
- 19 Deadline for paying PAYE/NIC and CIS deductions for period ending 5th of the month if not paying electronically. Deadline for submitting CIS contractors' monthly returns.
- 22 PAYE/NIC and CIS deductions paid electronically should have cleared HMRC bank account. If the due date for payment falls on a weekend or bank holiday, payment must normally be made by the previous working day.

Month end Deadline for submission of CT600 for year ending 12 months previously. Last day to amend CT600 for year ending 24 months previously. Deadline for filing of accounts with Companies House for private companies with years ending 9 months previously and for public companies with years ending 6 months previously.

MARCH 2019

- 31** Last few days to use any pension, CGT and IHT annual allowances and exemptions and to invest in an ISA in 2018/19.

APRIL 2019

- 1** New National Living/Minimum Wage rates.
- 5** Final day to register online to 'payroll' benefits and expenses in 2019/20.
- 6** First day of the 2019/20 tax year. Changes to many tax allowances, rates and thresholds.
- 19** Last day to submit final RTI Full Payment Submission (FPS) or Employer Payment Submission (EPS) for 2018/19. (After 19 April, corrections for 2018/19 must be made on a RTI Earlier Year Update.)
- 30** IHT due on lifetime transfers made between 6 April and 30 September 2018. (IHT on other transfers payable 6 months after the end of the month in which the transfer or death occurred.)

MAY 2019

- 1** Start of daily penalties where the 2017/18 personal tax return has not been filed (charged for up to 90 days).
- 31** Last day to issue 2018/19 P60s to employees.

JULY 2019

- 5** Last day to agree a 2018/19 PAYE Settlement Agreement (PSA) with HMRC.
- 6** Deadline for employers to send forms P11D and P11D(b) for 2018/19 to HMRC and to provide copies to employees. Deadline for online filing of 2018/19 returns for all employee share schemes.
- 22** Deadline for paying Class 1A NICs for 2018/19 (19 October if not paying electronically).
- 31** Due date for second payment on account for 2018/19 income tax.

AUGUST 2019

- 1** Penalty of 5% of the tax due or £300, whichever is the greater, charged where the 2017/18 personal tax return has not been filed.

OCTOBER 2019

- 5** Deadline to register for self-assessment for 2018/19.
- 22** Deadline for paying tax and Class 1B NICs on PSAs (19 October if not paying electronically).
- 31** Deadline for 2018/19 personal tax returns if filed on paper.

DECEMBER 2019

- 30** Deadline to submit 2018/19 personal tax returns online in order to have underpaid PAYE collected through the 2020/21 tax code.

JANUARY 2020

- 31 Deadline for 2018/19 personal tax returns if filed online. Due date for final payment of 2018/19 income tax, CGT, Class 2 and Class 4 NICs, plus first payment on account for 2019/20 income tax.

FEBRUARY 2020

- 1 Initial penalty imposed where the 2018/19 personal tax return has not been filed (or has been filed on paper after 31 October 2019).

MARCH 2020

- 2 Last day to pay 2018/19 personal tax liability to avoid an automatic 5% penalty.
- 31 Last few days to use any pension, CGT and IHT annual allowances and exemptions and to invest in an ISA in 2019/20.

This Tax Facts document has been prepared on the basis of the Chancellor's Budget speech, government publications, and the Finance Bill which was published on 7 November 2018. The Finance Bill may be amended during the course of its passage through parliament. Copyright 1 January 2019. You should consult your usual Moore Kingston Smith contact before making decisions on the basis of the information given in this document.

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