

# Tax facts 2015/16

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Income tax			
	Rates <sup>1</sup>	2015/16	2014/15
Individuals			
Savings rate <sup>2</sup>	0%/10%3	£1 - £5,000	£1 – £2,880
Basic rate	20%	£1 – £31,785	£1 - £31,865
Higher rate	40%	£31,786 - £150,000	£31,866 - £150,000
Additional rate	45%	over £150,000	over £150,000
Trusts			
Standard rate	10% or 20%4	£1 - £1,000	£1 - £1,000
Trust rate	45%	over £1,000	over £1,000

- <sup>1</sup> See separate table for taxation of dividends
- <sup>2</sup> Only available on savings income where non-savings income is less than savings rate band
- <sup>3</sup> For 2015/16 the savings rate will be reduced from 10% to 0%
- <sup>4</sup> Depending on nature of income

Taxation of dividends		
	2015/16 &	2014/15
	Actual rate <sup>1</sup>	Effective rate <sup>2</sup>
Savings and basic rate taxpayers <sup>3</sup>	10%	0%
Higher rate taxpayers	32.5%	25%
Additional rate taxpayers <sup>4</sup>	37.5%	30.6%

- <sup>1</sup> Rate applied to dividend received plus tax credit
- <sup>2</sup> Effective tax rate on dividend received
- <sup>3</sup> Rate also applies to trusts on the first £1,000 of income
- <sup>4</sup> Rate also applies to certain trusts on income exceeding £1,000

Personal allowances		
	2015/16	2014/15
Basic personal allowance <sup>1</sup>	£10,600²	£10,000
Born 6 April 1938 – 5 April 1948	£10,600	£10,500 <sup>3</sup>
Born before 6 April 1938 <sup>3</sup>	£10,660	£10,660
Married couple's allowance4,5	£8,355	£8,165
Blind person's allowance <sup>6</sup>	£2,290	£2,230

- <sup>1</sup> Basic personal allowance is reduced by £1 for every £2 of income over £100,000 until completely removed
- <sup>2</sup> Transferable allowance of £1,060 for married couples and civil partners born after 5 April 1935. Available in certain circumstances
- $^3$  Reduced by £1 for every £2 of income above the limit of £27,700 (£27,000 2014/15) until the basic personal allowance is reached
- <sup>4</sup> Available where one of the parties was born before 6 April 1935. The relief is restricted to 10%. The allowance may be transferred to spouse or civil partner in certain cases
- $^5$  Reduced by £1 for every £2 of income above the limit of £27,700 (£27,000 2014/15) until the minimum allowance of £3,220 (£3,140 2014/15) is reached
- <sup>6</sup> Any surplus can be transferred to the spouse or civil partner

Pensions		
	2015/16	2014/15
Annual allowance <sup>1</sup>	£40,000	£40,000
Lifetime allowance	£1,250,000	£1,250,000

 $<sup>^1</sup>$  Includes both personal and employer contributions. Income tax relief is given on lower of 100% of annual earnings or annual allowance. Up to £3,600 each year can be contributed if no earnings and for relief at source arrangements

National Insurance contributions		
2015/16	Employee	Employer <sup>1</sup>
Class 1 (employed) <sup>2</sup>		
Earnings per week		
£1 – £155 (£156) <sup>3</sup>	0%	0%
£155.01 (£156.01) <sup>3</sup> – £815	12%	13.8%4
over £815	2%	13.8%
Class 1A and 1B	n/a	13.8%
Class 2 (self-employed)		
Annual earnings		
£1 – £5,965	Exempt	
over £5,965	£2.80 <sup>5</sup>	
Class 3 (voluntary)	£14.10 <sup>5</sup>	
Class 4 (self-employed)		
Annual earnings		
£1 – £8,060	0%	
£8,061 – £42,385	9%	
Profits over £42,385	2%	

- <sup>1</sup> Most employers can reduce their Class 1 National Insurance contributions by up to £2,000 each year
- <sup>2</sup> Contracted-in rates only
- <sup>3</sup> Band applying to employers shown in brackets
- 4 0% for employees aged under 21
- 5 Weekly rate

Tax efficient savings and in	vestments	
	2015/16	2014/15
Individual Savings Account (ISA) <sup>1,2</sup>	£15,240	£15,000
Enterprise Investment Scheme (EIS)	2	
Maximum investment for income tax reli	ef £1,000,000	£1,000,000
Rate of income tax relief	30%	30%
Seed EIS <sup>2</sup>		
Maximum investment for income tax relie	ef £100,000	£100,000
Rate of income tax relief	50%	50%

- $^{\rm 1}$  ISA investments are free from UK income and capital gains tax
- <sup>2</sup> Conditions apply to achieve tax benefits

Capital gains tax		
	2015/16	2014/15
Annual exemption		
Individuals	£11,100	£11,000
Trusts	£5,550	£5,500
Rates		
Basic and savings rate taxpayers	18%	18%
Higher and additional rate taxpayers	28%	28%
Trusts	28%	28%
Entrepreneurs' relief		
Rate for qualifying business assets	10%	10%
Lifetime allowance for qualifying gains	£10,000,000	£10.000.000

Inheritance tax	
	2015/16 & 2014/15
£1 - £325,000¹ (nil rate band)	0%
Over £325,000	
On relevant lifetime transfers	20%
On death transfers	40%
Reduced rate <sup>2</sup>	36%
Exemptions	
Annual gifts per donor	£3,000
Smalls gifts per donee	£250
Regular gifts out of income	Exempt
Gifts on marriage or civil partnership	
From parent	£5,000
From grandparent	£2,500
From others	£1,000

<sup>&</sup>lt;sup>1</sup> On death of surviving spouse or civil partner the nil rate band may be increased by the percentage of the nil rate band unused on first death

 $<sup>^{2}</sup>$  May apply where 10% or more of the deceased person's estate is left to charity

Corporation tax			
	2015/16	2014/15	
Small profits rate	n/a	20%1	
Upper limit	n/a	£300,000 <sup>2</sup>	
Marginal relief band			
Lower limit	n/a	£300,000 <sup>2</sup>	
Upper limit	n/a	£1,500,000 <sup>2</sup>	
Marginal rate	n/a	21.25%	
Main rate	20%	21%	
Not available to close investment holding companies			

<sup>&</sup>lt;sup>2</sup> Profit limits reduced for a company in a group or with associated companies

Capital allowances and reliefs		
	2015/16	2014/15
Plant and machinery		
Annual investment allowance	100%	100%
Qualifying expenditure limit	£500,0001	£500,000
Writing down allowance		
Main rate	18%	18%
Integral features, long life and certain other assets	8%	8%
First year allowances		
Certain energy-saving and water efficient products	100%	100%
Research and development		
SME scheme	230%	225%
SME payable tax credit (loss making companies)	14.5%	14.5%
Large company scheme	130%	130%
Large company research and development expenditure credit	11%	10%
Business premises renovation allowance		
Initial allowance	100%	100%
Writing down allowance	25%	25%

<sup>&</sup>lt;sup>1</sup> Applies until 31 December 2015

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Car and fuel scale benefits		
	2015/16	2014/15
Car benefit		
Relevant percentage of list price <sup>1</sup>		
CO <sub>2</sub> emissions (g/km)		
Up to 50	5%	5%
51 to 75	9%	5%
76 – 94	13%	11%
Each additional 1 – 5 a further	1%	1%
Maximum percentage	37%	35%
Van benefit		
Fixed amount	£3,150	£3,090
E all confe		
Fuel benefit		
Car fuel benefit is relevant percentage of	£22,100	£21,700
Van fuel benefit (fixed amount)	£594	£581

<sup>&</sup>lt;sup>1</sup> For petrol cars. Add 3% for diesel cars

# Land and buildings transaction tax (property in Scotland)<sup>1</sup>

## Chargeable consideration

Residential	Rate paid on part of price within each band
£1 - £145,000	0%
£145,001 - £250,000	2%
£250,001 - £325,000	5%
£325,001 - £750,000	10%
Over £750,000	12%
Non-residential or mixed use <sup>2</sup>	Rate paid on part of price within each band

Rate paid on part of price within each band
0%
3%
4.5%

<sup>&</sup>lt;sup>1</sup> Land and buildings transaction tax applies instead of stamp duty land tax for property in Scotland with effect from

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# Stamp duty land tax (property in England, Wales and N Ireland)<sup>1</sup>

### Chargeable consideration

Residential <sup>2</sup>	Rate paid on part of price within each band
£1 - £125,000	0%
£125,001 - £250,000	2%
£250,001 - £925,000³	5%
£925,001 - £1,500,0003	10%
Over £1,500,000 <sup>3</sup>	12%
Name and description of the desc	Circle make a walled to take I manufact a miles
Non-residential or mixed use <sup>2</sup>	Single rate applied to total purchase price

Non-residential or mixed use <sup>2</sup>	Single rate applied to total purchase price
£1 - £150,000 <sup>4</sup>	09
£150,001 - £250,000	19
£250,001 - £500,000	39
Over £500,000	49

<sup>&</sup>lt;sup>1</sup> Residential rates apply from 4 December 2014 (including property in Scotland until 31 March 2015)

### Stamp duty

Consideration on transfers of certain shares and securities <sup>1</sup>	
£1 - £1,000	Exempt
Over £1,000	0.5%2

<sup>&</sup>lt;sup>1</sup> Stamp duty reserve tax is due on agreements for the sale of certain shares but can be franked by the payment of stamp duty in certain circumstances

<sup>&</sup>lt;sup>2</sup> Rounded up to the nearest £5

VAT		
	2015/16	2014/15
Standard rate	20%	20%
Reduced rate	5%	5%
Registration threshold <sup>1</sup>	£82,000	£81,000
Deregistration threshold <sup>2</sup>	£80,000	£79,000
Cash accounting and annual accounting schemes	£1,350,000	£1,350,000
Flat rate schemes <sup>3</sup>	£150,000	£150,000

<sup>&</sup>lt;sup>1</sup> Taxable turnover is measured by reference to the last 12 months or next 30 days





<sup>&</sup>lt;sup>2</sup> Rent payable under a lease is charged at 1% to the extent that net present value of rental income exceeds £150,000

<sup>&</sup>lt;sup>2</sup> Rent payable under a lease is charged at 1% to the extent that net present value of rental income

exceeds £125,000 (£150,000 non-residential or mixed use)

<sup>&</sup>lt;sup>3</sup> Rules apply to increase the rate to 15% for certain acquisitions where chargeable consideration is over £500,000 (does not apply to individuals)

<sup>&</sup>lt;sup>4</sup> Provided annual rent attributable to non-residential property is less than £1,000

<sup>&</sup>lt;sup>2</sup> Taxable turnover is measured by reference to the next 12 months

<sup>3</sup> Separate scheme for farmers (no turnover limit)