



# Tax facts

Tax rates and allowances  
2016/2017

## Income tax

Rates	2016/17	2015/16	
Starting rate of 0% on savings income up to*	£5,000	£5,000	
Savings allowance at 0% tax: Basic rate taxpayers	£1,000	n/a	
Higher rate taxpayers	£500	n/a	
Additional rate taxpayers	£0	n/a	
Basic rate 20% on income up to <sup>†</sup>	£32,000	£31,785	
Maximum tax at basic rate	£6,400	£6,357	
Higher rate 40% on income up to £150,000 from <sup>†</sup>	£32,001	£31,786	
Tax on first £150,000	£53,600	£53,643	
Additional rate of 45% on income over <sup>†</sup>	£150,000	£150,000	
Dividend tax credit	n/a	10%	
Dividend allowance at 0% tax – all individuals	£5,000	n/a	
Tax rate on dividends based on	Dividend	Dividend & tax credits	
	Basic rate taxpayers	7.5%	10%
	Higher rate taxpayers	32.5%	32.5%
	Additional rate taxpayers	38.1%	37.5%
Trusts: Standard rate band generally	£1,000	£1,000	
Rate applicable to trusts: Dividends	38.1%	37.5%	
Other income	45%	45%	

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

<sup>†</sup> For Scottish taxpayers, 10% of the rate is payable to The Scottish Government.

## Child benefit charge

1% of benefit for each £100 of income between £50,000 and £60,000.

Main personal allowances and reliefs	2016/17	2015/16
Personal (basic)	£11,000	£10,600
Personal reduced by £1 for every £2 of net income over	£100,000	£100,000
Married couples/civil partners' transferable tax allowance	£1,100	£1,060
Personal (age) if born before 6 April 1938*	n/a	£10,660
Married couples/civil partners' allowance at 10%* (if at least one was born pre 6 April 1935)	– maximum £8,355	£8,355
	– minimum £3,220	£3,220
Blind person's allowance	£2,290	£2,290
Rent-a-room tax-free income	£7,500	£4,250

\*Reduced by £1 for every £2 of income over £27,700 (personal (age) subject to £10,600 minimum in 2015/16).

## Non-domicile remittance basis charge after UK residence in at least:

7 of the last 9 tax years	£30,000	£30,000
12 of the last 14 tax years	£60,000	£60,000
17 of the last 20 tax years	£90,000	£90,000

## Registered pensions

	2016/17	2015/16
Lifetime allowance	£1,000,000	£1,250,000
Annual allowance	£40,000*	£80,000 <sup>†</sup>
Annual allowance charge on excess	20%–45%	20%–45%
Max. pension commencement lump sum	25% of pension benefit value	
Lifetime allowance charge if excess drawn	as cash 55% / income 25%	

\*Reduced for those with income over £110,000 or have taken flexible drawdown.

<sup>†</sup> Annual allowance is available up to £80,000, depending on specific circumstances.

## National insurance contributions

	Employee	Employer	
<b>Class 1</b>			
NICs rate	12%	13.8%	
No NICs on the first – Age under 21/25 for apprentices	£155 pw	£827 pw	
– Age 21/25 & over	£155 pw	£156 pw	
NICs charged up to	£827 pw	No limit	
2% NICs on earnings over	£827 pw	N/A	
Certain married women	5.85%	13.8%	
<b>Employment allowance</b>		£3,000	
Payable per business – not available if a director is the sole employee.			
<b>Limits and thresholds</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Annual</b>
Lower earnings limit	£112	£486	£5,824
Primary earnings threshold	£155	£672	£8,060
Secondary earnings threshold	£156	£676	£8,112
Upper earnings limit and upper secondary earnings threshold (under 21 or apprentice under 25)	£827	£3,583	£43,000
<b>Class 1A Employer</b> On car & fuel benefits and most other taxable benefits provided to employees and directors			13.8%
<b>Class 2 (self-employed)</b> Flat rate		£2.80 pw	£145.60 pa
<b>Self-employed</b> Small profits threshold			£5,965 pa
<b>Class 4 (self-employed)</b> On profits	£8,060–£43,000 pa		9%
	Over £43,000 pa		2%
	£14.10 pw		£733.20 pa
<b>Class 3 (voluntary)</b> flat rate			
<b>Class 3A (voluntary)</b> If reached state pension age pre 6 April 2016		Amount depending on age	

## State pension

2016/17	Weekly	Annual
Single person*	£119.30	£6,203.60
Spouse/civil partner*	£71.50	£3,718.00
Single tier <sup>†</sup>	£155.65	£8,093.80

\* State pension age before 6 April 2016

<sup>†</sup> State pension age after 5 April 2016

## Pension credit – standard minimum guarantee

Single	£155.60	£8,091.20
Couple	£237.55	£12,352.60

## Property transaction taxes

Residential property value (on slices of value)	UK (excl. Scotland): Stamp Duty Land Tax (SDLT)	% Rate	Scotland: Land and Buildings Transaction Tax (LBTT)	% Rate
Up to £125,000	0		Up to £145,000	0
£125,001–£250,000	2		£145,001–£250,000	2
£250,001–£925,000	5		£250,001–£325,000	5
£925,001–£1,500,000	10		£325,001–£750,000	10
Over £1,500,000	12		Over £750,000	12

**Second UK properties** costing over £40,000 – add 3% to SDLT/LBTT from 1 April 2016

**UK properties bought by companies** etc over £500,000 – 15% on total value

## Commercial property value (on slices of value)

UK (excl. Scotland): SDLT	% Rate	Scotland: LBTT	% Rate
Up to £150,000	0	Up to £150,000	0
£150,001–£250,000	2	£150,001–£350,000	3
Over £250,000	5	Over £350,000	4.5

**Stamp Duty/Stamp duty reserve tax:** Stocks and marketable securities 0.5%  
No charge to stamp duty unless amount due exceeds £5.

## Tax incentivised investment

	2016/17	2015/16
Individual Savings Account (ISA)	£15,240	£15,240
Junior ISA and Child Trust Fund	£4,080	£4,080
Help to Buy ISA (from 1 December 2015) £1,000 initial and £200 per month		
Venture Capital Trusts (VCT) at 30%	£200,000	£200,000
Enterprise Investment Scheme (EIS) at 30%	£1,000,000	£1,000,000
EIS eligible for CGT reinvestment deferral relief	No limit	No limit
Seed EIS (SEIS) at 50%	£100,000	£100,000
SEIS CGT reinvestment relief	50%	50%

## Capital gains tax

Rates	2016/17	2015/16
Up to basic rate limit	10%	18%
Above basic rate limit/trusts and estates	20%	28%
Residential property and certain interest	28%*	n/a

\* 18% up to basic rate limit for individuals.

### Exemptions

Individuals, estates, etc	£11,100	£11,100
Trusts generally	£5,550	£5,550
Chattels (gains restricted to 1/3rds of excess proceeds exceeding limit)	£6,000	£6,000

**Entrepreneurs' relief** 10% on lifetime limit of £10,000,000 £10,000,000  
For trading businesses and companies (minimum 5% employees/officers shareholding) held for at least one year.

**Investors' relief** 10% on lifetime limit of £10,000,000 n/a  
Shares issued after 16 March 2016 in unlisted trading companies held for at least three years (not by employees/officers of the company).

## Inheritance tax

	2016/17	2015/16
Nil-rate band*	£325,000	£325,000
Rate of tax on excess	40%	40%
Rate if at least 10% of net estate left to charity	36%	36%
Lifetime transfers to and from certain trusts	20%	20%
Overseas domiciled spouse/civil partner exemption	£325,000	£325,000
100% relief: businesses, unlisted and AIM companies, certain farmland/buildings		
50% relief: certain other business assets e.g. farmland let before 1 September 1995		
Annual exempt gifts of: £3,000 per donor £250 per donee		

\*Up to 100% of the unused proportion of a deceased spouse's/civil partner's nil-rate band can be claimed on the survivor's death.

### Tax charge on gifts within seven years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death tax charge	100	80	60	40	20

## Corporation tax

All profits	Rate to 31 March 2017	20%	Rate to 31 March 2016	20%
-------------	-----------------------	-----	-----------------------	-----

## Value added tax

Standard rate	20%	Reduced rate e.g. on domestic fuel	5%
Registration level from 1 April 2016			£83,000
Deregistration level from 1 April 2016			£81,000
Flat rate scheme turnover limit			£150,000
Cash and annual accounting schemes turnover limit			£1,350,000

## Car and fuel scale benefits

Taxable amount based on car's list price when new.  
Charge varies according to CO<sub>2</sub> emissions in grams per kilometre.

CO <sub>2</sub> emissions g/km	Petrol %	Diesel %	CO <sub>2</sub> emissions g/km	Petrol %	Diesel %
0-50	7	10	145-149	26	29
51-75	11	14	150-154	27	30
76-94	15	18	155-159	28	31
95-99	16	19	160-164	29	32
100-104	17	20	165-169	30	33
105-109	18	21	170-174	31	34
110-114	19	22	175-179	32	35
115-119	20	23	180-184	33	36
120-124	21	24	185-189	34	37
125-129	22	25	190-194	35	37
130-134	23	26	195-199	36	37
135-139	24	27	200 & over	37	37
140-144	25	28			

### Fuel benefit (taxable amount for private use)

Multiply the CO<sub>2</sub> percentage charge used for car benefit by £22,200

## Vans (for private use)

	2016/17	2015/16
Zero emission: chargeable amount	£634	£630
Other vans: chargeable amount	£3,170	£3,150
Fuel: flat charge	£598	£594

## Tax-free business mileage allowance – own vehicle

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

## Main capital and other allowances

Plant and machinery 100% annual investment allowance (first year):			
To 31 December 2015	£500,000	From 1 January 2016	£200,000
Enterprise zone plant and machinery (Max €125m per investment project)			100%
Plant and machinery (annual reducing balance)			18%
Patent rights and know-how (annual reducing balance)			25%
Certain long-life assets, integral features of buildings (annual reducing balance)			8%
Energy and water-efficient equipment			100%
Electric vans			100%
Business premises renovations			100%

### Motor cars

CO <sub>2</sub> emissions of g/km:	75 or less*	76-130	131 or more
Capital allowance:	100% first year	18% <sup>†</sup>	8% <sup>†</sup>

\*New cars only. <sup>†</sup>Reducing balance.

### Research and development

Capital expenditure		100%
Revenue expenditure	– Small/Medium sized companies	230%
	– Large companies	130%*

\*Available until 31 March 2016. From 1 April 2016 the 'Above the Line' tax credit will become mandatory, replacing the 130% enhanced-deduction scheme.

© Copyright 16 March 2016

For information only.

Subject to Finance Act 2016

Always seek professional advice before acting.



We are one of the world's leading organisations of independent assurance, tax and advisory firms.

Dynamic organisations know they need to apply both reason and instinct to decision making. At Grant Thornton NI LLP, this is how we advise our clients every day. We combine award-winning technical expertise with the intuition, insight and confidence gained from our extensive experience and a deeper understanding of our clients.

@GrantThorntonNI #Budget2016

www.granthorntonni.com

© 2016 Grant Thornton NI LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton NI LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions. This publication has been prepared only as a guide. No responsibility can be accepted by us for loss occasioned to any person acting or refraining from acting as a result of any material in this publication.

granthorntonni.com