

dates and reminders

	filing date	payment date
SA return – individuals [^]	31/10/09	31/01/10 [#]
CTSA return ⁺	12 months after AP	9 months after AP
Monthly payment of PAYE/NIC	14 days following month-end	
P35	19 May	—
P60	31 May	—
P11D	6 July	—
Payment of class 1A NIC	—	19 July
PAYE settlement agreement	—	19 October
VAT	End of month following return period	
Stamp Duty land tax return	30 days from effective date	
Annual return for share schemes	6 July	—

[^]For returns submitted online for the tax year 2008/09, the deadline for filing will remain 31 January 2010.

[#]Payments on account for individuals:

- > 31 January during fiscal year
- > 31 July following fiscal year
- > 31 January following fiscal year ('sweep-up' payment)

⁺Payment dates for companies subject to quarterly payments of 25% of final liability to corporation tax:

- > 6 months + 14 days into accounting period
- > 9 months + 14 days into accounting period
- > 14 days after accounting period end
- > 3 months + 14 days after accounting period end

Tenon tax

To view our online budget coverage visit our website at www.tenongroup.com

succession planning

inheritance tax

	2009/10	2008/09
Nil rate band (note 1)	£325,000*	£312,000
Rate of tax on balance:		
Chargeable lifetime transfers	20%	20%
Transfers on death	40%	40%

1 A claim can be made to transfer any unused nil-rate band of the deceased to the surviving spouse or civil partner. The amount will be expressed as a percentage and this percentage will be applied to the band in use on the surviving spouse or civil partner's death and added to their own nil rate band.

*To be increased to £350,000 (2010/11).

All lifetime transfers not covered by exemptions and made within seven years of death will become chargeable for the purpose of calculating the tax payable. Any tax due on the lifetime transfer may then be reduced by taper relief.

	2009/10	2008/09
Annual exemption	£3,000	£3,000
Small gifts exemption	£250	£250

trusts and estates

	2009/10	2008/09
Income Tax		
Standard rate band	£1,000	£1,000
Rates of tax*		
Rate applicable to trusts	40%	40%
Dividends	32.5%	32.5%

Capital Gains Tax

	2009/10	2008/09
Rates of tax	18%	18%
Exemptions		
Most trusts (maximum)**	£5,050	£4,800
Certain trusts and most estates ⁺	£10,100	£9,600

*Trusts for the vulnerable will be taxed on the basis of the individual's circumstances for both income tax and capital gains tax.

**Exemption divided by number of qualifying settlements created after 6 June 1978 by one settlor, subject to a minimum of £1,010.

⁺Trustees of settlements for the disabled and personal representatives of the estate of a deceased person.

Exemption is available for personal representatives in year of death and in the following two years.

indirect taxation

vat

	2009/10	2008/09
Standard rate*	15%	17.5%
VAT fraction	3/23	7/47
Taxable turnover limits		
Registration**	£68,000	£67,000
Deregistration next year under	£66,000	£65,000
Cash accounting scheme	£1.35m	£1.35m
Annual accounting scheme	£1.35m	£1.35m

*The standard rate of VAT will revert back to 17.5% from 1 January 2010.

**Registration is required if turnover exceeded the limit in the previous 12 months or is predicted to exceed the limit in the next 30 days.

stamp duty/stamp duty land tax

Stamp duty is payable at 0.5% on transfers of shares and securities. Exemption from stamp duty for transfers where stamp duty is £5 or less or consideration is £1,000 or less.

On the transfer of residential land, SDLT is payable at the following rates:

Value up to £175,000 (note 1)	nil
Value £175,001 – £250,000	1%
Value £250,001 – £500,000	3%
Value over £500,000	4%

1 0% stamp duty land tax on the acquisition of residential properties not more than £175,000. This applies to acquisitions between 3 September 2008 and 31 December 2009. After that the stamp duty land tax threshold will revert back to £125,000.

- > 0% stamp duty for transactions in disadvantaged areas on all residential property unless consideration is greater than £150,000.
- > Disadvantaged areas are based upon electoral ward and postcode; more details at www.hmrc.gov.uk/so/disadvantaged.htm

On the transfer of non-residential land, SDLT is payable at the following rates:

Value up to £150,000	nil
Value £150,001 – £250,000	1%
Value £250,001 – £500,000	3%
Value over £500,000	4%

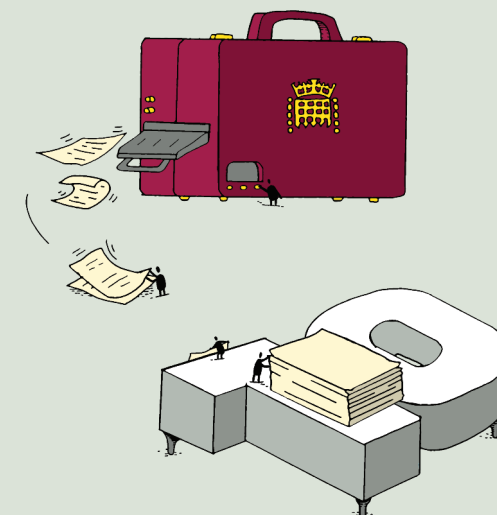
No SDLT charged on new 'zero carbon' homes/flats up to £500,000 and a credit of £15,000 for homes/flats over £500,000.

Lease duty is payable on new leases and is calculated by reference to the NPV (Net Present Value) of all rental payments due under the terms of the lease.

Non-residential properties	up to £150,000	0%
	over £150,000	1%
Residential properties	up to £125,000	0%
	over £125,000	1%

Tenon The Budget

Tax data 2009/10



Advisers to entrepreneurs

personal taxation

income tax

	2009/10	2008/09
Basic rate band	£37,400	£36,000
Non-savings tax rate	20%	20%
Savings tax rate	20%	20%
UK dividend tax rate	10%	10%
Higher rate – income over	£37,400	£36,000
Non dividend tax rate	40%	40%
UK dividend tax rate	32.5%	32.5%

Allowances that reduce taxable income

Personal allowance (PA) – under 65	£6,475	£6,035
– 65 to 74	£9,490	£9,030
– 75 and over	£9,640	£9,180

Allowances that reduce tax

Married couple's allowance (MCA)		
Tax reduction – 65 to 74	–	£653.50
– 75 and over	£696.50	£662.50

'Rent a Room' relief – annual exemption	£4,250	£4,250
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- 1 Ages are as at the end of the tax year. Ages for MCA relate to the elder spouse. MCA is available only to couples where at least one spouse was aged 65 or over on 5 April 2000.
- 2 The age-related allowances are progressively withdrawn if income exceeds £22,900 (2008/09 £21,800), reducing first PA and then MCA (for MCA the husband's income only is considered). PA cannot fall below £6,475 (2008/09 £6,035) and MCA tax reduction cannot fall below £267 (2008/09 £254).
- 3 In the tax year 2009/10 all in this category will become 75 at some point and will therefore be entitled to the 75 and over allowance.

national insurance

	2009/10	
	Employer	Employee
Class 1 (not contracted out)		
Payable on weekly earnings of		
First £110	0%	0%
Next £110 – £844	12.8%	11%
Over £844	12.8%	1%
Men 65+, women 60+	as above	Nil
Class 1A	On relevant benefits	12.8%
Class 2	Self employed	£2.40 per week
	Limit of net earnings for exception	£5,075 p.a.
Class 3	Voluntary	£12.05 per week
Class 4*	Self employed on profits	
	£5,715 – £43,875	8%
	Over £43,875	1%
	*Exemption applies if state retirement age is reached by 6 April 2009.	

company taxation

Tax rates

	Financial year to	
	31 March 2010	31 March 2009
Taxable profits	21%	21%
First £300,000 (note 1)		
Next £1,200,000	29.75%	29.75%
Over £1,500,000	28%	28%

Main capital allowances

IBA and ABA	2%	Straight line based upon cost (note 2)
Plant & Machinery	20%	Reducing balance on existing plant
Plant & Machinery	40%	On additions made 2009/10
Annual Investment Allowance	100%	On first £50,000 investment in plant and machinery
Long-life assets	10%	Previously 6%
Integral features	10%	Category introduced
Low emission new cars	100%	New cars with emissions less than 110g/km CO ₂
		Cars with emissions less than 160g/km CO ₂
Lower emission cars	20%	Cars with emissions more than 160g/km CO ₂
Higher emission cars	10%	Details at www.eca.gov.uk (note 3)
Energy Efficient Plant	100%	Assets used solely for qualifying R&D
Research & Development	100%	

- 1 The small companies rate will increase to 22% in 2010/11.
- 2 This will reduce by 1% pa and so will be abolished by 1 April 2011.
- 3 Subject to cap, first year tax credits available at 19% of the loss attributable to ECAs.

Loans to and from individuals

Overdrawn current or loan accounts of participants – tax based upon 25% of loan balance at accounting period end, unless repaid within 9 months of accounts date.

Loans to companies from individuals – company must deduct income tax at 20% of gross interest and account to HM Revenue & Customs on a quarterly basis using CT61 returns.

Enhanced tax relief

Research & Development: Enhanced deduction of up to 175% for SMEs and 130% for large companies of qualifying costs incurred on qualifying R&D. The definition of an SME is:
 Employees < 500 and either
 Turnover < €100m or
 Assets < €86m

Contaminated Land Relief: 150% deduction for qualifying costs incurred on remediation of land and buildings.

Losses

Loss carry back provisions have been extended. For accounting periods ending between 24 November 2008 and 23 November 2010, losses can be carried back three years. There is unlimited carry back to the previous 12 months, any carry back beyond that is subject to a cap of £50,000 for each of the two loss-making years.

benefits in kind

Chargeable on employees earning **£8,500** or over (including benefits) and directors.

Company car benefit

The charge is a percentage of the list price. The percentage depends on the level of carbon dioxide emissions. The minimum charge is 10%; the maximum charge is 35%. CO₂ emission details are available at www.smmmt.co.uk

Cars which run on E85 fuel qualify for a 2% reduction in the appropriate percentage (except QUALECS, see below).

The lower threshold is reduced to 135g/km and is unaffected by the 10% band mentioned below.

Cars with CO₂ emissions up to and including 120g/km will be charged at 10% of the list price. These cars will be referred to as Qualifying Low Emission Cars (QUALECS). A 3% diesel charge will apply but the E85 fuel reduction will not.

The list price relates to the day before first registration and includes accessories. The price is subject to an upper limit of £80,000.

The list price is reduced by the employee's capital contribution when the car is first made available, subject to a maximum deduction of **£5,000**. Payments by employees for private use may reduce the above benefits.

Van benefit

From 6 April the company van benefit for all types of vans is £3,000 when used for significant private use. If free or subsidised fuel is provided for private use there is an additional chargeable fuel benefit of £500.

Car fuel benefit

The charge is calculated using the same CO₂ emission basis as used for the car benefit. The appropriate percentage will be multiplied by £16,900 (2008/09 £16,900).

Advisory fuel rates – company cars

The tax-free limits per mile are as follows:

Engine size	Petrol	Diesel	LPG
1,400cc or less	11p	11p	7p
1,401cc – 2000cc	13p	11p	8p
Over 2,000cc	19p	14p	11p

Statutory mileage allowances – own cars

The tax-free limits per mile are as follows:

	First 10,000 miles in tax year	Miles over 10,000
Cars	40p	25p
Motorcycles	24p	24p
Cycles	20p	20p
Passengers	5p	5p

For car allowances, payments in excess of these limits are taxable. Where payment is less than authorised mileage rate employees can claim tax relief on the shortfall.

investments

capital gains tax

	2009/10	2008/09
Taxed	18%	18%
Annual exemption		
– individual	£10,100	£9,600
– settlement	£5,050	£4,800

Transfers between husband and wife living together or between civil partners are exempt.

Entrepreneur's relief gives a lifetime allowance of £1m on disposals of trading businesses and qualifying shares in trading companies, giving an effective rate of tax of 10%. Gains in excess of this amount will suffer tax at 18%. There is a minimum qualifying period of ownership of 1 year.

ISA

For individuals aged less than 50, the allowance for a cash ISA remains at £3,600 and a further £3,600 may be invested in stocks and shares. Total annual investment limit: £7,200. This will increase to £5,100 and £10,200 for 2010/11.

For individuals aged 50 and over, with effect from 6 October 2009 the allowance for a cash ISA increases for 2009/10 onwards to £5,100 and a further £5,100 may be invested in stocks and shares. The above limits apply to everyone else from 2010/11.

personal pension contributions

Under the pension regime the following rules apply:

- > The annual contribution is restricted to 100% of earnings.
- > An annual contribution allowance of up to £245,000 with any excess contributions being subject to an income tax charge through the self assessment system. There will be certain exemptions in the year when all benefits are taken from an arrangement.
- > Individuals have a single, lifetime allowance of £1.75 million on the amount of pension rights which will enjoy favourable tax treatment.
- > A 'recovery' charge of 55% will arise on an individual's total pension rights in excess of £1.75m.
- > Withdrawal of higher rate tax relief in certain circumstances from 22 April 2009.

Non-domiciles and remittance basis

- > De minimis limit for foreign income before remittance basis election applies: £2,000.
- > Tax charge on unremitted income for non-domiciles who elect for remittance basis: £30,000. Applies only if resident for 7 out of 10 years.
- > Remittance basis tax payers are not entitled to UK personal or gains allowances unless foreign income falls within de minimis of £2,000.