



The following information is based on proposals set out by the Chancellor in his Budget of 8 July 2015 but is subject to amendment in the Finance Bill.

Income Tax

Rates

	%	2015/16	%	2014/15
Basic	20	up to £31,785	20	up to £31,865
Higher	40	£31,786 to £150,000	40	£31,866 to £150,000
Additional	45	Above £150,000	45	Above £150,000

Non-savings income is taxed as the first slice of income, followed by savings income and then dividends.

Dividends falling into the basic rate band are taxed at 10%. The higher rate of tax for dividends is 32.5% (2014/15 32.5%) and the additional rate is 37.5% (2014/15 37.5%). This is reduced by the dividend tax credit.

Savings income falling into the first £5,000 of taxable income (2014/15 £2,880) may be taxed at 0% for certain low income earners.

Allowances

	2015/16	2014/15
Personal allowance:		
Those born after 5 April 1948 ^(a)	£10,600	£10,000
Those born between 6 April 1938 and 5 April 1948 ^{(a)(b)}	£10,600	£10,500
Those born before 6 April 1938 ^{(a)(b)}	£10,660	£10,660

Note: (a) Progressively withdrawn for income over £100,000, leading to a marginal tax rate of 60% on income in the band £100,000 to £121,200 (to £120,000 in 2014/15).

(b) Age-related element progressively withdrawn for income over £27,700 (2014/15: £28,100).

Non-UK domiciled individuals – levy to use remittance basis of taxation

	2015/16	2014/15
Resident in UK 7 out of the preceding 9 years	£30,000	£30,000
Resident in UK 12 out of the 14 preceding years	£60,000	£50,000
Resident in UK 17 out of the 20 preceding years	£90,000	£50,000

Investment Reliefs

	2015/16	2014/15
Personal allowance:		
Enterprise Investment Scheme ^(a)	£1,000,000	£1,000,000
SEED Enterprise Investment Scheme ^(b)	£100,000	£100,000
Venture Capital Trust ^(a)	£200,000	£200,000
Social Investment Relief ^(a)	£1,000,000	£1,000,000

Note: (a) Relief restricted to 30%.

(b) Relief available up to 50%.

Individual Savings Accounts (ISA)

	2015/16	2014/15
Annual investment limit	£15,240	£15,000

Pensions

	2015/16	2014/15
Annual contribution allowance 100% of salary up to ^(a)	£40,000	£40,000
Permitted pension contribution (irrespective of salary)	£3,600	£3,600
Lifetime benefit allowance	£1,250,000	£1,250,000

Note: (a) From April 2016 the annual contribution allowance will be tapered away from £40,000 to £10,000 for individuals whose earnings in the year exceed £150,000. The minimum of £10,000 will apply to individuals whose annual earnings exceed £210,000.

National Insurance Contributions

Rates

	2015/16	2014/15
Class 1 (earnings related)		
Lower earnings limit (LEL) (annual)	£5,824	£5,772
Upper earnings limit (UEL) (annual – employees only)	£42,385	£41,860
Upper accrual point (UAP) (annual)	£40,040	£40,040
Earnings threshold (annual)		
■ Primary threshold	£8,060	£7,956
■ Secondary threshold	£8,112	£7,956
Employee rate (A Rate, Not Contracted-out):		
■ Between earnings threshold and UEL	12%	12%
■ Earnings above UEL	2%	2%
Employer rate^(a):		
■ Above earnings threshold	13.8%	13.8%
Employment allowance (per employer)	£2,000	£2,000
Class 2 (self-employed flat rate)		
Per week	£2.80	£2.75
Small earnings exception (per year)	£5,965	£5,885
Class 3 (voluntary): (per week)	£14.10	£13.90
Class 4 (self-employed)		
Lower profits limit LPL (per year)	£8,060	£7,956
Upper profits limit UPL (per year)	£42,385	£41,865
Rate:		
■ Between LPL and UPL	9%	9%
■ Above UPL	2%	2%

Note: (a) No employer NIC is due on payments made to employees under the age of 21 unless their pay exceeds the UEL of £42,385.

Reliefs

	2015/16	2014/15
Contracted out Class 1 relief (between LEL and UAP)		
Employee rate	1.4%	1.4%
Employer rate	3.4%	3.4%

Capital Gains Tax

	2015/16	2014/15
Rates		
Companies ^(a)	20%	21%
Individuals ^(b)	28%/18%	28%/18%
Reliefs		
Annual gains exemption for individuals	£11,100	£11,000
Chattels proceeds exemption	£6,000	£6,000
Enterprise Investment Scheme	100%	100%
SEED Enterprise Investment Scheme ^(c)	100%/50%	100%/50%
Venture Capital Trust	100%	100%
Social Investment tax relief	30%	30%
Principal private residence ^(d)	100%	100%
Entrepreneurs' relief tax rate	10%	10%
Entrepreneurs' relief (cumulative lifetime allowance)	£10m	£10m

Note: (a) Assumes main rate tax payer with chargeable gains within companies being subject to corporation tax rather than CGT.

(b) Higher rate / basic rate.

(c) 100% relief on gain on investment subject to conditions. Relief also available on reinvested gains of 50% up to maximum investment of 100,000 (2013/14 50%).

(d) Final period exemption reduced from 36 months to 18 months.

Inheritance Tax

	2015/16	2014/15
Nil ^(a)	Up to £325,000	Up to £325,000
40% ^(b)	Above £325,000	Above £325,000

Note: (b) Any unused nil rate band may be transferred to deceased's spouse or civil partner.

(a) Reduced to 36% where at least 10% of the net estate is left to a charity.



Car and Car Fuel Tax Rates

	2015/16
CO2 Emissions	
0-50 g/km	5%
51-75 g/km	9%
76-94 g/km	13%
Each additional 5 g/km	+1%
Diesel additional surcharge	+3%
Maximum rate	37%

Note: The taxable benefit is the relevant rate multiplied by the full value of the car provided. If fuel is also provided the rates are multiplied by £22,100 (2014/15 £21,700).

Value Added Tax

	1 Apr 2015	1 Apr 2014
<i>Standard rate</i>	20%	20%
<i>Lower rate</i>	5%	5%
Registration limit – annual turnover above	£82,000	£81,000
Simplified arrangements – annual turnover below	£1,350,000	£1,350,000

Corporation Tax

	1 Apr 2015	1 Apr 2014
<i>Main rate^(a)</i>	20%	21%
<i>Small profits rate^(c)</i>	20%	20%
Where profits ^(b)	£0-£300,000	£0-£300,000
Marginal relief where profits ^(b)	£300,000-£1,500,000	£300,000-£1,500,000
Marginal relief fraction ^(c)	n/a	1/400
Profit threshold for quarterly instalment payments ^(b)	£1,500,000	£1,500,000
Loans to participators rate	25%	25%

Note: (a) Ring fence profits are taxed at 30%.
(b) Reduced by reference to number of associated companies.
(c) Ring fence profits from UK oil extraction and rights are taxed at 19% with a marginal relief fraction of 11/400.

Other Corporate Taxes

Diverted profits tax applies to large multinationals who enter into contrived arrangements to avoid a UK taxable presence on their business activities. Additionally the tax applies where companies use transactions or entities lacking economic substance to create a UK tax advantage.

	2015/16
Diverted profits tax on UK 'generated' profits	25%

Intangible Assets

Patent Box

From 1 April 2013 profits from qualifying patent interests are taxed at 10%. This is being phased in over 5 years:

Year commencing 1 April	2013	2014	2015	2016	2017
Percentage of benefits available	60%	70%	80%	90%	100%

Research and Development Relief

	Additional deduction	
	1 Apr 2015	1 Apr 2014
SMEs additional expenditure deduction ^(a)	130%	125%
Large company additional expenditure deduction ^(b)	30%	30%
Large company R&D taxable expenditure credit ^(b)	11%	10%

Note: (a) SMEs which make losses can surrender the deduction in exchange for a payment of up to 14.5% (2014/15 14.5%) of the loss.
(b) From 1 April 2016 all large companies will be required to make a claim for the R&D expenditure credit.

Creative Industry Tax Reliefs

	Tax relief of up to ^(a)	
	1 Apr 2015	1 Apr 2014
Film tax relief – First £20m / above £20m	25%	25%/ 20%
High-end TV tax relief ^(b)	25%	25%
Video games tax relief	25%	25%
Theatre tax relief – Touring/Non-touring	25%/20%	25%/20%

Note: (a) For profit making companies, tax relief is obtained by way of an additional deduction of 100% of enhanceable expenditure. All reliefs are capped at the lower of, UK expenditure or 80%, of the total qualifying expenditure.
(b) High-end TV tax relief includes relief for animation and from 1 April 2015 will also include relief for children's programming.

Capital Allowances

	2015/16	2014/15
Plant and machinery allowances		
<i>Main pool writing down allowance^(a)</i>	18%	18%
<i>Special rate pool writing down allowance^(a)</i>	8%	8%
<i>Enhanced Capital Allowance ('ECA') for energy-efficient/ environmentally beneficial plant or machinery</i>	100%	100%
<i>First-year allowance for plant or machinery used in designated assisted areas within Enterprise Zones</i>	100%	100%
<i>Limit for 100% annual investment allowance^(b)</i>	£500,000	£500,000
Motor cars		
<i>Emissions upper limit for ECA qualifying cars</i>	75g/km	95g/km
<i>Emissions upper limit for main pool qualifying cars</i>	130g/km	130g/km
Research and development allowances	100%	100%
Business premises renovation allowances	100%	100%
Land remediation relief	150%	150%
ECA tax credit	19%	19%
Land remediation tax credit^(c)	16%	16%

Note: (a) Reducing balance.
(b) Annual Investment Allowance will reduce to £200,000 from 1 January 2016.
(c) 24% of the net expenditure incurred, prior to any uplift for land remediation relief.

Insurance Premium Tax Rates

	1 Apr 2015 ^(a)	1 Apr 2014
General rate	6%/9.5%	6%
Higher rate (certain policies)	20%	20%

Note: (a) From 1 November 2015 the general rate will increase to 9.5%

Annual Tax on Enveloped Dwellings

ATED is generally payable at a fixed rate each year by companies, some partnerships and collective investment schemes that own dwellings in the UK otherwise than for a qualifying business purpose.

Property value	1 Apr 2015	1 Apr 2014
£1 million to £2 million	£7,000	£nil
£2 million to £5 million	£23,350	£15,400
£5 million to £10 million	£54,450	£35,900
£10 million to £20 million	£109,050	£71,850
£20 million and over	£218,200	£143,750

Note: Extra band for dwellings valued between £500k to £1m to be introduced from 1 April 2016.

The budget proposals and other tax changes are summarised on this page. The proposals may, however, be amended significantly before enactment. The content of this communication is intended to provide a general guide to the subject matter and should not be regarded as a basis for ascertaining liability to tax or determining investment strategy in specific circumstances. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

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Stamp Taxes

Stamp duty land tax				Stamp duty /SDRT
UK (excluding Scotland ^(e)) land transactions				
Rate payable ^(a)	Residential	Rate payable ^(b)	Non-residential or mixed use	Transfers of shares
Nil	£0-£125k	Nil	£0-£150k	0.5%/1.5% ^(d)
2%	£125,001-£250k	1%	£150,001-£250k	
5%	£250,001-£925k	3%	£250,001-£500k	
10%	£925,001-£1.5m	4%	£500,001+	
12%	Above £1.5m		n/a	
15% ^(c)	Above £500k		Mixed use is apportioned	

Note: (a) Rates apply to portion of the chargeable consideration that falls within each rate band.
(b) Rate applies to all of the chargeable consideration.
(c) Generally, not applicable to individuals or where property is used for certain commercial purposes.
(d) Applicable to transfers of shares to depository receipt systems and clearance service systems subject to exception.
(e) From 1 April 2015 subject to transitional provisions.

In addition, rent is taxed at 1% of its net present value, less the first £150,000 in the case of the grant of a lease of non-residential property and £125,000 in the case of the grant of a lease of residential property.

Land and buildings transaction tax			
Land transactions in Scotland ^(c)			
Rate payable ^(a)	Residential	Rate payable ^(b)	Non-residential or mixed use
0%	£0-£145,000	0%	£0-£150,000
2%	£145,000-£250,000	3%	£150,000-£350,000
5%	£250,000-£325,000	4.5%	£350,000
10%	£325,000-£750,000		
12%	£750,000		

Note: (a) Rates apply to portion of the chargeable consideration that falls within each rate band.
(b) Rates and bands shown above are subject to approval by the Scottish Parliament.
(c) From 1 April 2015 subject to transitional provisions.

In addition, rent is taxed at 1% of its net present value, less the first £150,000 in the case of the grant of a lease of non-residential property. Leases of residential property are exempt subject to exception.

Air Passenger Duty Rates from 1 April 2015

Flights originating from UK excluding NI and Scottish Highlands and Islands	Lowest class ^(b)	Standard rate ^(b)	Higher Rate ^(c)
Destination bands			
Band A (0-2000 miles ^(a))	£13	£26	£78
Band B (above 2,000 miles ^(a))	£71	£142	£426

Note: (a) Distance from London to capital city of destination country.
(b) The lowest class rate does not apply where there is only one class of travel and the seat pitch exceeds 40". Standard rate applies for any other class of travel.
(c) Applies to aircraft over 20 tonnes with fewer than 19 seats.

Flights originating from Northern Ireland	Direct ^(a)	Indirect
Destination bands		
	Reduced /Standard/Higher ^(c)	Reduced /Standard/Higher ^(c)
Band A (0-2000 miles ^(b))	£13/£26/£78	£13/£26/£78
Band B (above 2,000 miles ^(b))	£0/£0/£0	£71/£142/£426

Note: (a) Direct flights broadly refer to flights originating and beginning in Northern Ireland that are further than 2000 miles.
(b) Distance from London to capital city of destination country.
(c) The lowest class rate does not apply where there is only one class of travel and the seat pitch exceeds 40". The lowest class rate does not apply where there is only one class of travel and the seat pitch exceeds 40". Standard rate applies for any other class of travel. The higher rate applies to aircraft over 20 tonnes with fewer than 19 seats.

The government have introduced an exemption from reduced rates of Air Passenger Duty (APD) from 1 May 2015 for children under 12 and from 1 March 2016 for children under 16.

Aggregates Levy

	2015/16	2014/15
Levy (price per tonne)	£2	£2

Landfill Taxes from 1 April 2015

Landfill Tax	Standard rate	Lower rate
UK landfill tax	£82.60	£2.60
Scottish landfill tax	£82.60	£2.60

Climate Change Levy

Supplies of commodity liable to:	2015/16	2014/15
Main rates of Climate Change Levy		
Electricity (£ per kilowatt hour)	0.00554	0.00559
Natural gas (£ per kilowatt hour)	0.00193	0.00195
Liquefied petroleum gas (£ per kilogram)	0.01240	0.01251
Any other taxable commodity (£ per kilogram)	0.01512	0.01526
Carbon Price Support rates of Climate Change Levy		
Natural gas (£ per kilowatt hour)	0.00334	0.00175
LPG (£ per kilogram)	0.05307	0.02822
Coal and other taxable solid fossil fuels (£ per gross gigajoule)	1.56860	0.81906
CPS rates of fuel duty		
Gas oil; rebated bioblend; kerosene (£ per litre)	0.04990	0.02642
Fuel oil; other heavy oil; rebated light oil (£ per litre)	0.05730	0.03011

The Government will remove the Climate Change Levy exemption for renewably sourced electricity from 1 August 2015.

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