

## Value added tax

Standard rate	20%
Lower rate	5%
Zero rate	0%

**Registration threshold (changes from 1 April):** taxable supplies at the end of any month exceed **£81,000** (£79,000) either in the past 12 months or the next 30 days.

## Stamp duties

	2014/15	2013/14
<b>Stamp duty land tax on non-residential land and buildings (a) (b)</b>		
£0-£150,000	0%	(0%)
£150,001-£250,000 (£150,001-£250,000)	1%	(1%)
£250,001-£500,000 (£250,001-£500,000)	3%	(3%)
Over £500,000 (over £500,000)	4%	(4%)
<b>Stamp duty land tax on residential land and buildings (a) (b)</b>		
£0-£125,000 (£0-£125,000)	0%	(0%)
£125,001-£250,000 (£125,001-£250,000)	1%	(1%)
£250,001-£500,000 (£250,001-£500,000)	3%	(3%)
£500,001-£1,000,000 (£500,001-£1,000,000)	4%	(4%)
£1,000,001-£2,000,000 (£1,000,001-£2,000,000)	5%	(5%)
Over £2,000,000 (Over £2,000,000) (c)	7%	(7%)

(a) All figures are calculated inclusive of any VAT. The relevant percentage applies to the full consideration.

(b) For leases, the rate is (broadly) 1% of the discounted rental values under the lease over the **£150,000/£125,000** limit.

(c) Where residential property over **£500,000** (£2m until 19 March 2014) is purchased by a company (or similar entity) a 15% rate applies.

Stamp duty – shares and securities	0.5%	(0.5%)
Stamp duty reserve tax	0.5%/1.5%	(0.5%/1.5%)

Stamp duty & stamp duty reserve tax are abolished from 28 April 2014 on recognised growth markets, including AIM & ISDX.

## Annual tax on enveloped dwellings

An annual tax on enveloped dwellings is payable by a company (or similar entity) owning a residential property with a value **≥ £2m** on 1 April 2012 (or date of later acquisition). Tax is charged in bands, from a minimum of **£15,400** (£15,000) to a maximum of **£143,750** (£140,000).

## Climate change levy

Electricity	<b>0.541p</b> (0.524p) <b>per kWh</b>
Gas	<b>0.189p</b> (0.182p) <b>per kWh</b>
Coal, lignite, coke and semi-coke	<b>1.476p</b> (1.429p) <b>per kg</b>
Liquid petroleum gas	<b>1.210p</b> (1.172p) <b>per kg</b>

## Landfill tax

Standard rate	<b>£80/tonne</b> (£72/tonne)
Lower rate (inactive waste)	<b>£2.50/tonne</b> (£2.50/tonne)

## 2014 CALENDAR

	JANUARY	FEBRUARY	MARCH
MON	6 13 20 27	3 10 17 24	3 10 17 24 31
TUES	7 14 21 28	4 11 18 25	4 11 18 25
WED	1 8 15 22 29	5 12 19 26	5 12 19 26
THUR	2 9 16 23 30	6 13 20 27	6 13 20 27
FRI	3 10 17 24 31	7 14 21 28	7 14 21 28
SAT	4 11 18 25	1 8 15 22	1 8 15 22 29
SUN	5 12 19 26	2 9 16 23	2 9 16 23 30

	APRIL	MAY	JUNE
MON	7 14 21 28	5 12 19 26	2 9 16 23 30
TUES	1 8 15 22 29	6 13 20 27	3 10 17 24
WED	2 9 16 23 30	7 14 21 28	4 11 18 25
THUR	3 10 17 24	1 8 15 22 29	5 12 19 26
FRI	4 11 18 25	2 9 16 23 30	6 13 20 27
SAT	5 12 19 26	3 10 17 24 31	7 14 21 28
SUN	6 13 20 27	4 11 18 25	1 8 15 22 29

	JULY	AUGUST	SEPTEMBER
MON	7 14 21 28	4 11 18 25	1 8 15 22 29
TUES	1 8 15 22 29	5 12 19 26	2 9 16 23 30
WED	2 9 16 23 30	6 13 20 27	3 10 17 24
THUR	3 10 17 24 31	7 14 21 28	4 11 18 25
FRI	4 11 18 25	1 8 15 22 29	5 12 19 26
SAT	5 12 19 26	2 9 16 23 30	6 13 20 27
SUN	6 13 20 27	3 10 17 24 31	7 14 21 28

	OCTOBER	NOVEMBER	DECEMBER
MON	6 13 20 27	3 10 17 24	1 8 15 22 29
TUES	7 14 21 28	4 11 18 25	2 9 16 23 30
WED	1 8 15 22 29	5 12 19 26	3 10 17 24 31
THUR	2 9 16 23 30	6 13 20 27	4 11 18 25
FRI	3 10 17 24 31	7 14 21 28	5 12 19 26
SAT	4 11 18 25	1 8 15 22 29	6 13 20 27
SUN	5 12 19 26	2 9 16 23 30	7 14 21 28

## 2015 CALENDAR

	JANUARY	FEBRUARY	MARCH
MON	5 12 19 26	2 9 16 23	2 9 16 23 30
TUES	6 13 20 27	3 10 17 24	3 10 17 24 31
WED	7 14 21 28	4 11 18 25	4 11 18 25
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FRI	2 9 16 23 30	6 13 20 27	6 13 20 27
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SUN	4 11 18 25	1 8 15 22	1 8 15 22 29

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*This data was prepared on Budget day 19 March 2014. It is a brief overview for temporary reference and general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, we do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.*

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wealth management

**TAX  
FOCUS  
2014/15**



## Income tax

Bands			
	<b>2014/15</b>	2013/14	
<b>£0–£31,865</b>	(£0–£32,010)	<b>20%</b>	(20%)
<b>£31,866–£150,000</b>	(£32,011–£150,000)	<b>40%</b>	(40%)
Over <b>£150,000</b>	(£150,000)	<b>45%</b>	(45%)

Dividends are taxed at **10%** (10%), **32.5%** (32.5%) or **37.5%** (37.5%) as the top slice of total income.

Other savings income, primarily bank and building society interest, is taxed at 10% up to **£2,880** (£2,790). This 10% rate is not available if taxable non-savings income exceeds **£2,880** (£2,790).

There are special rules for trusts and also for individuals with income assessable on the remittance basis.

An additional tax charge applies to claw back child benefit where one income in a household exceeds £50,000, with full clawback by £60,000.

### Personal allowances

	<b>2014/15</b>	2013/14	
Born after 5 April 1948 (a)	<b>£10,000</b>	(£9,440)	
Born between 6 April 1938 and 5 April 1948 (a)	<b>£10,500</b>	(£10,500)	
Born before 6 April 1938 (a)	<b>£10,660</b>	(£10,660)	
Income limit for personal allowance (b)	<b>£100,000</b>	(£100,000)	
Income limit for age related allowances (c)	<b>£27,000</b>	(£26,100)	
Blind person's allowance	<b>£2,230</b>	(£2,160)	
Married couple's allowance (b) (d)	<b>£8,165</b>	(£7,915)	

(a) Age related allowances are given by reference to date of birth. Previously such allowances were determined by age.

(b) The personal allowance is reduced by £1 for each £2 by which income exceeds £100,000, irrespective of age or date of birth.

(c) Allowances for those born before 6 April 1948 first reduce by £1 for each £2 by which income exceeds the income limit, reducing to a minimum of the lowest personal allowance. Such allowances can be reduced further under (b).

(d) Relief is limited to **10%**, and extends to civil partnerships. At least one spouse/partner must have been born before 6 April 1935. The allowance is reduced where income exceeds the age related income limit, subject to an absolute minimum of **£3,140** (£3,040).

### Cap on income tax reliefs

Certain income tax reliefs are capped at the greater of £50,000 or 25% of income. This excludes charitable donations.

### Company cars – annual benefits

The annual benefit is a percentage of list price, with the percentage dependent on the level of CO2 emissions. The benefit is **5%** for emissions of **1–75g/km**. For emissions of **76–94g/km**, the rate is **11%** and increases by **1% at 95g/km** and then for each additional full 5g/km up to a maximum charge of **35%** for emissions of **210g/km** or more. Emission levels are rounded down to the nearest multiple of five. There is no benefit for cars with emissions of **0g/km**. List price includes certain accessories, but is reduced for capital contributions of up to **£5,000**.

There is a diesel supplement of **3%**, subject to the maximum charge of **35%**.

The taxable benefit for significant private use of vans is **£3,090** (£3,000).

The taxable benefit for electric cars and vans is **nil** until 5 April 2015.

Where fuel is provided for private use in a company car, the taxable benefit percentage is applied to **£21,700** (£21,100). The benefit for fuel provided for a van with significant private use is **£581** (£564).

### Pensions

	<b>2014/15</b>	2013/14	
Lifetime allowance (a)	<b>£1,250,000</b>	(£1,500,000)	
Equivalent to defined benefit pension	<b>£62,500</b>	(£75,000)	
Maximum contribution annual allowance (b)	<b>£40,000</b>	(£50,000)	
Tax on excess	<b>Marginal rate</b>	(Marginal rate)	
Normal minimum pension age	<b>55</b>	(55)	

a) Special rules can apply to individuals with larger benefits at 5 April 2006, and for those with benefits over £1,500,000 on 5 April 2012, and over £1,250,000 on 5 April 2014. Excess over the lifetime allowance may be subject to a 25% charge plus income tax on balances drawn, or 55% for lump sum benefits.

b) Unused allowances from the previous three tax years (by reference to a limit of £50,000 p.a.) may be carried forward, potentially increasing the current year's allowance in 2014/15.

Pension <b>auto-enrolment</b> minimum earnings	<b>£10,000</b>		
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### Capital gains tax

	<b>2014/15</b>	2013/14	
For standard rate taxpayers	<b>18%</b>	(18%)	
For trustees and <b>40%/45%</b> (40%/45%) taxpayers	<b>28%</b>	(28%)	
Annual exempt amount – individuals	<b>£11,000</b>	(£10,900)	
Annual exempt amount – trusts	<b>£5,500</b>	(£5,450)	
Entrepreneurs' relief lifetime limit	<b>£10m</b>	(£10m)	
Entrepreneurs' rate	<b>10%</b>	(10%)	

### Inheritance tax

Up to <b>£325,000</b> (£325,000) ("nil rate band")	<b>0%</b>	(0%)	
Over <b>£325,000</b> (£325,000) (frozen to 2017/18)	<b>40%</b>	(40%)	

A surviving spouse or civil partner may claim the unused proportion of an earlier deceased spouse's or civil partner's nil rate band, up to the current nil rate band.

A reduced rate of 36% applies when 10% or more of a net estate is left to charity.

Reduced charges on lifetime gifts within seven years of death apply.

### Tax-efficient investments

	<b>2014/15</b>	2014/15	2013/14
	<b>(to 30.6.14)</b>	<b>(from 1.7.14)</b>	
<b>ISA</b> limit	<b>£11,880</b>		(£11,520)
- of which <b>maximum cash</b>	<b>£5,940</b>		(£5,760)
<b>New ISA (NISA)</b> limit (a) (b)	<b>£15,000</b>		
<b>Junior ISA</b> limit (a) (c)	<b>£3,840</b>	<b>£4,000</b>	(£3,720)

(a) Investment can be in cash or shares.

(b) Limit includes prior investment in ISA in the tax year.

(c) From April 2015 cash in a Child Trust Fund can be transferred to a Junior ISA.

**Venture Capital Trusts (VCTs)**: income tax relief at up to **30%** on investment up to **£200,000**.

**Enterprise Investment Scheme (EIS)**: income tax relief at up to **30%** on qualifying share subscriptions up to **£1m**.

**Seed Enterprise Investment Scheme (SEIS)**: income tax relief of **50%** on investment up to **£100,000** with rollover of chargeable gains.

**Social Investment Tax Relief (SITR)**: income tax relief of 30% and with capital gains tax reliefs.

### Air passenger duty

Rates per passenger	<b>Reduced rate</b>	<b>Standard rate</b>	
<b>From 1 April 2014 (a)</b>			
<b>Band A</b> (0–2,000 miles from London) (b)	<b>£13</b> (£13)	<b>£26</b> (£26)	
<b>Band B</b> (2,001–4,000 miles from London)	<b>£69</b> (£67)	<b>£138</b> (£134)	
<b>Band C</b> (4,001–6,000 miles from London)	<b>£85</b> (£83)	<b>£170</b> (£166)	
<b>Band D</b> (over 6,000 miles from London)	<b>£97</b> (£94)	<b>£194</b> (£188)	

(a) Flights from airports in the Scottish Highlands and Islands and long haul flights from airports in Northern Ireland are exempt.

(b) Higher rates, between **£52** (£52) and **£388** (£376), apply to aircraft over 20 tonnes and seating fewer than 19 passengers.

### Corporation tax

Financial year (from 1 April)	<b>2014</b>	2013	
Small profits rate	<b>£0–£300,000</b>	<b>20%</b>	(20%)
Marginal rate	<b>£300,001–£1,500,000</b>	<b>21.25%</b>	(23.75%)
Main rate	<b>Over £1,500,000</b>	<b>21%</b>	(23%)

(a) The main rate for financial year 2015 will be 20%, when the main and small profits rates will be unified.

### Capital allowances

Expenditure on:	<b>2014/15</b>	2013/14	
Plant and machinery (a)	<b>18%</b>	(18%)	
Plant and machinery in certain enterprise zones	<b>100%</b>	(100%)	
Motor cars on or after April 2009 – CO2 emissions			
≤95g/km (95g/km)	<b>100%</b>	(100%)	
>95 g/km–130g/km (95g/km–130g/km) (a)	<b>18%</b>	(18%)	
>130g/km (130g/km) (a)	<b>8%</b>	(8%)	
New and unused zero emission goods vehicles	<b>100%</b>	(100%)	
Long life assets/integral features in buildings (a)	<b>8%</b>	(8%)	
Patent rights and know-how (a) (b)	<b>25%</b>	(25%)	
Mines, oil wells, mineral rights (a) (c)	<b>25%</b>	(25%)	
Research and development	<b>100%</b>	(100%)	
Energy-saving and water efficient plant and machinery	<b>100%</b>	(100%)	
Renovation of business premises (disadvantaged areas)	<b>100%</b>	(100%)	

There is a 100% annual investment allowance on the first **£500,000** (£250,000 between 1 January 2013 and 31 March 2014) tranche per annum of capital expenditure incurred on or before 31 December 2015, per group of companies or related entities, on plant and machinery including long life assets and integral features, but excluding cars. The limits are subject to complex transitional rules.

(a) These allowances are given on a reducing balance basis.

(b) For expenditure from April 2002 accounting write downs (and not capital allowances) are allowable deductions for tax.

(c) Acquisition of mineral deposits and rights qualify for 10% p.a.

### National Insurance Contributions (NIC)

Class 1 employees		
<b>Weekly earnings</b>	<b>Contracted in</b>	<b>Contracted out</b>
Up to <b>£153</b> (£149)	<b>Nil</b> (nil)	
<b>£153.01–£805</b> (£149.01–£797)	<b>12%</b> (12%)	
Over <b>£805</b> (over £797)	<b>2%</b> (2%)	
Up to <b>£111</b> (£109)		<b>Nil</b> (nil)
<b>£111.01–£153</b> (£109.01–£149)		Rebate <b>1.4%</b> (1.4%)
<b>£153.01–£770</b> (£149.01–£770)		<b>10.6%</b> (10.6%)
<b>£770.01–£805</b> (£770.01–£797)		<b>12%</b> (12%)
Over <b>£805</b> (over £797)		<b>2%</b> (2%)

Class 1 employers (a)		
<b>Weekly earnings</b>	<b>Contracted in</b>	<b>Contracted out</b>
Up to <b>£153</b> (£148)	<b>Nil</b> (nil)	
Over <b>£153</b> (Over £148)	<b>13.8%</b> (13.8%)	
Up to <b>£111</b> (£109)		<b>Nil</b> (nil)
<b>£111.01–£153</b> (£109.01–£148)		Rebate <b>3.4%</b> (3.4%)
<b>£153.01–£770</b> (£148.01–£770)		<b>10.4%</b> (10.4%)
Over <b>£770</b> (Over £770)		<b>13.8%</b> (13.8%)

<b>Other</b>	
<b>Class 1A</b> (employers only): <b>13.8%</b> (13.8%) based on the amounts of taxable benefits.	
<b>Class 1B</b> (employers only): <b>13.8%</b> (13.8%) in respect of amounts in a PAYE settlement agreement and the income tax thereon.	
<b>Class 2</b> (flat rate for self-employed): <b>£2.75</b> (£2.70) per week.	
<b>Class 3</b> (voluntary): <b>£13.90</b> (£13.55) per week.	
<b>Class 4</b> (self-employed): 9% (9%) of profits between <b>£7,956</b> (£7,755) and <b>£41,865</b> (£41,450) per annum and <b>2%</b> (2%) on profits above <b>£41,865</b> (£41,450).	
(a) From April 2014, businesses and charities can claim a reduction of up to £2,000 of their employers' contributions ("NIC employment allowance").	

### Patent box and research & development tax credits

**Patent box** – effective **13.3%** (15.2%) corporation tax rate; applies to **70%** (60%) of relevant profits, increasing to 100% by 1 April 2017.

**R&D tax credit** – additional **125%** (SMEs) or **30%** (large companies) deduction of qualifying expenditure.

**R&D expenditure credit** – by election for large companies, with a minimum rate of 10% of qualifying expenditure. Mandatory from April 2016.

### Bank levy

Annual tax on certain short-term chargeable liabilities and long-term chargeable equity and liabilities above an aggregate of **£20bn** of most UK based banks.

	<b>From 1.1.14</b>	From 1.1.13	
Short-term liabilities	<b>0.156%</b>	0.130%	
Long-term equity and liabilities	<b>0.078%</b>	0.065%	