
LLEWELYN DAVIES

TAX RATE TABLES



2009-2010

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Income Tax

Band	Dividends	Interest	Other
The first: £2,440*	10%	10%	*
£0-£37,400	10%	20%	20%
Over £37,400	32.5%	40%	40%

* The new 10% starting rate for savings income only. If non-savings income is above £2,440 the 10% band does not apply.

There are special rules for trusts.

Main personal allowances:

Personal	£6,475
Age Allowance	
Age 65-74	
Personal	£9,490
Married couple's (a) (b)	N.A.
Age 75 or over	
Personal	£9,640
Married couple's (a) (b)	£6,965
Income limit for age allowances (c)	£22,900
Blind person's	£1,890

- (a) Relief given at 10% only.
- (b) Claimed by husband, but on election, the allowance may be claimed by wife or shared equally. Transferable on election if insufficient income. Only available if born before 6 April 1935.
- (c) Relief is abated by $\frac{1}{2}$ total income over income limit. Married couple's age allowance will not reduce below £2,670.

National Insurance Contributions

Class 1 (employers and employees):

Contracted-in:

Employees: those who earn £110 or more per week pay 0% on £110 and 11% on the remainder up to £844 per week. Over £844 - 1%.

Employers: contributions are paid at 12.8% on so much of an employee's earnings as exceed £110 per week.

Contracted-out:

Employees: the rate remains at 9.4%. A rebate of 1.6% is also given on earnings between £95 and £110.

Employers: rates are reduced by 3.7% for salary related schemes, and 1.4% for money purchase schemes, on the part of the earnings between £110 and £844 per week. Contributions are paid at a rate of 12.8% on the excess over £844. Rebate at 3.7% and 1.4% is also given on earnings between £95 and £110.

Class 1A (employers only): 12.8% based on the amounts of taxable benefits.

Class 1B (employers only): 12.8% in respect of amounts in a PAYE settlement agreement.

Class 2 (flat rate for self employed): £2.40 per week. Small earnings exemption £5,075 a year.

Class 3 (voluntary): £12.05 a week.

Class 4 (self employed): 8% on profits between £5,715 and £43,875 per annum. 1% on profits above £43,475 a year.

Capital Gains Tax

Annual exemption - individuals: £10,100
 - trusts: £5,050

Rate: from 6 April 2008 CGT is to be charged at the uniform rate of 18% for disposals by individuals, trustees and personal representatives.

Also indexation allowance and taper relief for business assets is not available after 6 April 2008.

A new Entrepreneurs' Relief has been introduced for disposals of certain business assets after 6 April 2008.

Inheritance Tax

Aggregate chargeable value: up to £325,000; - nil%; - over £325,000 – 40%.

Reduced charge on lifetime gifts within seven years of death:

Years between gift and death	0-3	3-4	4-5	5-6	6-7
Percentage of death rates	100%	80%	60%	40%	20%

Value Added Tax

Standard rate: 15%
Lower rate: (a) 5%
Zero rate: 0%

(a) 15% rate applies from 1 Dec 2008 to 31 Dec 2009. 17.5% rate applies from 1 Jan 2010 until further notice

(b) On supplies of domestic, residential and charitable non-business fuel and power, and certain installations of energy saving material.

Registration threshold (changes from 1 May 2009): taxable supplies at the end of any month exceed £68,000 in the past 12 months or is likely at any time to exceed £68,000 in the next 30 days.

Optional flat rate scheme for turnovers under £150,000.

Stamp Taxes

Transfers of land and buildings (consideration paid)

Rate	Residential	Non-residential
0%	£0 -£175,000 a)	£0-£150,000 b)
1%		£0-£150,000 c)
1%	Over £175,000* to £250,000	Over £150,000 to £250,000
3%	Over £250,000 to £500,000	Over £250,000 to £500,000
4%	Over £500,000	Over £500,000
a) From 1 Jan 2010: £125,000 (or £150,000 for property in disadvantaged areas) b) If annual rent is under £1,000 c) If annual rent is £1,000 or greater		

The rate of stamp duty/stamp duty reserve tax on the transfer of shares and securities is unchanged at 0.5% for 2008/09.

Corporation Tax (year to 31 March 2010)

Small companies' rate £0-£300,000 21%
 Marginal relief £300,001-£1,500,000 21 to 28%
 Main rate over £1,500,000 28%

THE NEXT STEP

Information is correct as of 6 May 2009. We hope you find this a useful guide to the tax rates proposed for 2009/10. Of course, the figures are subject to amendment as the Finance Bill passes through parliament.

This material provides only an overview of the subject and no action should be taken without seeking professional advice. No responsibility can be accepted for any loss occasioned by any person acting or refraining from action as a result of this material. Please therefore contact our Offices to determine the appropriate tax strategy for your particular circumstances. Initial consultation is at no charge or obligation.

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