Income Tax Year 2017/18

INCOME TAX	2016/17	2017/18

1. INCOME TAX ALLOWANCES

Personal Allowance [see 4 below]	11,000	**11,500**
Born before 6/4/38 [1]	N/A	**N/A**
Married couples allow born B4 6/4/35 [2]	8,355	**8,445**
Blind person's allowance	2,290	**2,320**
[2] Income limit before abatement	27,700	**28,000**
[3]born before 6/4/1935 relief restricted to	10%	**10%**
Minimum married couples [3]	3,220	**3,260**
4 Reduced personal allowance income over	100,000	**100,000**
Marriage Allowance (BR taxpayer only)	1,100	**1,150**
Dividend Allowance	5,000	**5,000**
Personal Savings allow basic rate taxpayer	1,000	**1,000**
Personal Savings allow higher rate tpayer	500	**500**
Rent-a-room limit	7,500	**7,500**
Mileage rate own car per mile to10k/>10k	45p/25p	45p/25p

2. RATES OF INCOME TAX

	2016/17	2017/18
Starting rate for savings [5]	0%	**0%**
Basic rate (BR)	20%	**20%**
Higher rate (HR)	40%	**40%**
Additional (AR)	45%	**45%**
Taxable income rate bands		
Starting rate for savings [5]	0-5,000	**0-5,000**
Basic rate band amount up to	0-32,000	**0-33,500**
Higher rate band exceeding	32,000	**33,500**
Additional rate band exceeding	150,000	**150,000**

3. INVESTMENTS and SAVINGS

		2016/17	2017/18
Rates of tax			
Dividends	Ordnary - BR	7.5%	**7.5%**
	Upper - HR	32.5%	**32.5%**
	Additional - AR	38.1%	**38.1%**
Interest	as per section 2 above		

[5] BR non-savings taxable income after PA below starting rate limit

ISA Limits	2016/17	2017/18
ISA total maximum	15,240	**20,000**
Junior ISA/ Child Trust Fund	4,080	**4,128**
VCT up to 200,000 relief	30%	**30%**
EIS income tax up to 30% on invest max	1m	**1m**
SEIS up to 100,000 relief	50%	**50%**

4. CHARITY GIVING

	2016/17	2017/18
Gift aid annual single gift minimum	0	**0**
Payroll giving maximum gift	No limit	**No limit**

5. NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employment			2016/17	2017/18
Lower Earnings limit (LEL)		pw	112	**113**
		pm	486	**490**
		pa	5,824	**5,876**
Primary threshold (PT) employee pw/pm			155/672	**157/680**
Second threshold (ST) employer pw/pm			156/676	**157/680**
PT pa 7956 / 8060		ST pa	8112	**8164**
Upper earnings limit (UEL)(UST)		pw	827	**866**
		pm	3,583	**3,750**
		pa	43,000	**45,000**
Upper Accrual point (UAP)		pm	N/A	**N/A**
		pa	N/A	**N/A**
Employees contribution				
	between PT and UEL		12%	**12%**
	above UEL		2%	**2%**
Employees contract out rebate(DL)toUAP			N/A	**N/A**
Class 1	Employer above ST		13.8%	**13.8%**
Class 1 Employer for EE under 21 to UEL			0%	**0%**
Class 1A	Employer on taxable benefits		13.8%	**13.8%**
Class 1B	Employer on PSA		13.8%	**13.8%**
Class 2	Self employed per week		2.80	**2.85**
	small earnings exception pa		5,965	**6,025**
Class3	Voluntary per week		14.10	**14.25**
Class 4	Self employed (rate on profits)		9%	**9%**
	Lower profits limit (LPL) pa		8,060	**8,164**
	Upper profits limit (UPL)pa		43,000	**45,000**
	On profits above UPL		2%	**2%**

6..STUDENT LOANS

	2016/17	2017/18
Plan 1 Threshold repayment due above pa	17,495	**17,775**
Plan 1 Threshold repayment due above pm	1,457	**1,481**
Plan 2 Threshold repayment due above pa	21,000	**21,000**
Plan 2 Threshold repayment due above pm	1,750	**1,750**
Rate of student loan deductions	9%	**9%**

6. INHERITANCE TAX

	2016/17	2017/18
Rate transfers on death	40%	**40%**
Lower rate tx on death if 10%+ to charity	36%	**36%**
Inheritance tax - lifetime transfers	20%	**20%**
Threshold (nil rate band)	325,000	**325,000**
Residence nil rate band	N/A	**100,000**
Inheritance Tax- annual gifts exemption	3,000	**3,000**
Small gifts to one person	250	**250**

7. TAX CREDITS

	2016/17	2017/18
Working and Child tax credits are made up of various elements		
Working tax credit - Basic element	1,960	**1,960**
Couple & lone parent element	2,010	**2,010**
30 hour element	810	**810**
Income thresholds and withdrawal rates		
First income threshold	6,420	**6,420**
Withdrawal rate	41%	**41%**
First threshold only entitled Child Tax Credit	16,105	**16,105**
Income disregard	2,500	**2,500**

8. STATE PENSION

	2016/17	2017/18
Born on/after 6/4/51 (Men) 6/4/53 Women	155.65	**159.55**
Based on own NI contributions (Cat A, B)	119.30	**122.30**
Based on spouse NI contribution cat B,C,D	71.50	**73.30**
Cat C Lower –non-contributory	71.50	**73.30**
Age addition at age 80	0.25	**0.25**
Qualifying years - full state pension (M/W)	30	**35**

State pension age - women born 6/4/50 to 5/12/53 taper to 65
Born 6/12/53 to 5/10/54 taper to 66 after 5/10/54 = 66

9. CAPITAL GAINS TAX

	2016/17	2017/18
Rate Individuals, up to BR income tax	10%	**10%**
Rate Individuals, above Basic Rate band	20%	**20%**
Rate residential property BR / HR	18/28%	**18/28%**
Rate Trustees and PR Main/property	20/28%	**20/28%**
Annual exemption - individual	11,100	**11,300**
- trust	5,550	**5,650**
Chattels exemption	6,000	**6,000**

10. PENSION SCHEMES

	2016/17	2017/18
Lifetime allowance defined contribution	1m	**1m**
Annual Allowance–excess taxed @ margin	40,000	**40,000**
Annual allowance-already drawing pension		**10,000**
Tax relief available up to % of UK taxable earnings sub to annual max	100%	**100%**
Non-taxpayers and low-earners relief on annual maximum	3,600	**3,600**

11. CAPITAL ALLOWANCES

Plant& Machinery	2016/17	2017/18
Annual Investment Allowance (AIA) first ** from 1 Jan 2016 200,000	200,000 **	**200,000**
AIA on expenditure to above limit	100%	**100%**
Main rate(inc cars76-130g/km)reducing bal	18%	**18%**
Special rate (inc cars over 130g/km and long life assets 25yr+ on reducing bal)	8%	**8%**
FYA cars up to 75g/km	100%	**100%**
FYA certain energy saving plant	100%	**100%**

12. VAT	01/04/16	01/04/17
Standard rate	20%	**20%**
reduced rate (domestic fuel and power)	5%	**5%**
Fraction	1/6	**1/6**
	01/04/16	**01/04/17**
Thresholds from		
Registration limit p.a.	83,000	**85,000**
Deregistration limit p.a.	81,000	**83,000**
Annual or cash accounting turnover limit	1.35m	**1.35m**
Cash accounting exit limit p.a.	1.6m	**1.6m**
Flat rate scheme limit	150,000	**150,000**
Fuel scale charge is based on CO^2	See list	**See list**

13. INSURANCE PREMIUM TAX	01/10/16	01/06/17
Rate Insurers (to 30/09/16 = 9.5%)	10.0%	**12.0%**
Rate Insur sold by suppliers goods/services	20%	**20%**
Rate all travel insurance	20%	**20%**

14. STAMP DUTY LAND TAX	1/4/16	2017/18
Residential property 0-125,000	0%	**0%**
Residential property 125k-250k	2%	**2%**
Residential property 250k- 925k	5%	**5%**
Residential property 925k-1.5m	10%	**10%**
Residential property 1.5m	12%	**12%**
Additional % all buy to let/2nd properties	3%	**3%**
Rate on proportion above each threshold		
Stock transfers and securities	0.50%	**0.50%**
New leases Residential non-residential	%	**%**
£0-£150,000	0%	**0%**
£150,000- £5m / over£5m	1%/2%	**1%/2%**

15. CORPORATION TAX	1/4/16	1/4/17
Corporation tax rate	20%	**19%**

16. NATIONAL MINIMUM WAGE	1/10/15	1/10/16
Adult Rate per hour	6.70	**7.20**
Development rate (age 18-20 yrs)	5.30	**5.55**
16 - 17 year olds	3.87	**4.00**
Apprentices under 19 or 19+in first yr	3.30	**3.40**
National Living Wage 25 + from 1/4/17	7.20	**7.50**

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Note:- A number of changes announced in the Budget do not come into force until April 2018 or later. For non-savings, Dividends & Stamp duty Scotland may set different rates, bands and allowances

Further information available online:
www.gov.uk/government/topical-events/budget-2016
Government - www.gov.uk
Work & Pensions - www.gov.uk/government/organisations/department-for-work-pensions
HM Revenue & Customs -www.gov.uk/government/organisations/hm-revenue-customs)

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Budget 2017
(March)

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Based on March 2017 Budget. And prior statements