

WENN TOWNSEND
CHARTERED ACCOUNTANTS



OXFORD



CIRENCESTER



ABINGDON

TAX DATA

2020-21

www.wenntownsend.co.uk

information@wenntownsend.co.uk

INCOME TAX RATES

2020-21 ¹		2019-20 ¹	
Band (£)	Rate (%)	Band (£)	Rate (%)
0 - 5,000	0 ²	0 - 5,000	0 ²
0 - 37,500	20 ³	0 - 37,500	20 ³
37,501- 150,000	40 ⁴	37,501- 150,000	40 ⁴
Over 150,000	45 ⁵	Over 150,000	45 ⁵

¹ Different bands and rates may apply to Scottish and Welsh taxpayers

² Only applicable to savings income. This rate is not available if taxable non-savings income exceeds £5,000. From 2017-18, £1,000 of savings income for basic rate taxpayers (£500 for higher rate taxpayers) may be tax free

³ Except dividends at 7.5%

⁴ Except dividends at 32.5%

⁵ Except dividends at 38.1%

Other income is taxed first, then savings income and finally dividends. The first £2,000 of dividends are taxed at 0%.

INCOME TAX RELIEFS

	2020-21 £	2019-20 £
Personal allowance ¹	12,500	12,500
Personal allowance is reduced by £1 for every £2 of adjusted net income over £100,000.		
¹ £1,250 (2019-20: £1,250) may be transferable between certain spouses where neither pay tax above the basic rate.		
Married couple's allowance (relief at 10%) (Either partner born before 6 April 1935)	9,075	8,915
-min. amount	3,510	3,450
Age allowance income limit	30,200	29,600
Age allowance is reduced by £1 for every £2 of adjusted net income over age allowance income limit.		
Blind person's allowance	2,500	2,450

TAX CREDITS

	2020-21 £	2019-20 £
Working Tax Credit		
Basic element - max.	£3,040	1,960
Childcare element		
70% of eligible costs up to £175 per week (£300 if two or more children).		
Child Tax Credit (CTC)		
Child element		
Per child - max.	2,830	2,780
Family element	545	545

Reductions in maximum rates

41% of income above £6,530 p.a. ¹ (2019-20: £6,420)

¹ If only CTC is claimed, the threshold is £16,385 p.a. (2019-20: £16,105 p.a.). The withdrawal rate is 41%.

PENSION PREMIUMS

- Tax relief available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings.
- Any contributions in excess of £40,000, whether personal or by the employer, may be subject to income tax on the individual. This limit may be reduced where 'adjusted income' exceeds £240,000.
- The limit may be reduced to £4,000 once money purchase pensions are accessed.
- Where the £40,000 limit is not fully used it may be possible to carry the unused amount forward for three tax years.
- Employers will obtain tax relief on employer contributions if they are paid and made 'wholly and exclusively' for the business. Tax relief for large contributions may be spread over several years.

CAR, VAN AND FUEL BENEFITS

Company cars 2020-21

CO2 emissions (g/km)	Electric range (miles)	% of car's list price taxed	
0	n/a	0	<ul style="list-style-type: none"> The rates shown are for cars first registered on or after 6 April 2020 With the exception of zero emissions cars, where cars were registered before 6 April 2020, 2% should be added to the rates shown (subject to a maximum of 37%) For diesel cars a 4% supplement is generally added but the maximum is still 37% The list price includes accessories and is not subject to an upper limit The list price is reduced for capital contributions made by the employee up to £5,000 Special rules may apply to cars provided for disabled employees.
1 - 50	>130	0	
1 - 50	70 - 129	3	
1 - 50	40 - 69	6	
1 - 50	30 - 39	10	
1 - 50	<30	12	
51 - 54	n/a	13	
Each extra 5	n/a	+ 1	
170 and over	n/a	37	

Car fuel benefit 2020-21

£24,500 x 'appropriate percentage'*

* Percentage used to calculate the taxable benefit of the car for which the fuel is provided.

The charge does not apply to certain environmentally friendly cars.

The charge is proportionately reduced if provision of private fuel ceases part way through the year.
The fuel benefit is reduced to nil only if the employee pays for all private fuel.

Van benefit per vehicle 2020-21

Van benefit	£3,490	Fuel benefit	£666
The charges do not apply to vans if a 'restricted private use condition' is met throughout the year, and a reduced charge may be due if the van cannot emit CO2.			

MILEAGE ALLOWANCE PAYMENTS

2020-21 and 2019-20

Cars and vans

Up to 10,000 miles

Over 10,000 miles

Each passenger making same trip

Bicycles

Motorcycles

Rate per mile

45p

25p

5p

20p

24p

These rates represent the maximum tax free mileage allowances for employees using their own vehicles for business. Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.

INDIVIDUAL SAVINGS ACCOUNTS (ISAs)

	2020-21	2019-20
Overall annual investment limit	£20,000	£20,000
Junior account investment limit	£9,000	£4,368

CORPORATION TAX

	From 1/4/20	From 1/4/19
Main rate	19%	19%
Different rates apply for ring-fenced (broadly North Sea oil and gas industry) profits		
Research and Development reliefs		
SME tax credits	230%	230%
SME payable credit	14.5%	14.5%
Expenditure credit	13%	12%

CAPITAL ALLOWANCES

Plant and machinery

Annual Investment Allowance (AIA) ¹	100%
First Year Allowance (FYA) ²	100%
Writing down allowance ³	
Long-life assets, integral features	6%
Other plant and machinery	18%
Cars with CO2 emissions exceeding 110g/km	6%
Cars with CO2 emissions not exceeding 110g/km	18%
Structures and Buildings Allowance ⁴	3%

¹ Applies to the first £1m pa of qualifying expenditure (£200,000 pa from 1 January 2021). This amount may need to be shared between certain businesses under common control.

² Available on certain energy efficient plant and cars, including expenditure incurred on new and unused zero emission goods vehicles.

³ Calculated on a reducing-balance basis

⁴ Calculated on a straight-line basis

VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%
Annual Registration Limit – from 1/4/20 (1/4/19 – 31/3/20 £85,000)	£85,000
Annual Deregistration Limit – from 1/4/20 (1/4/19 – 31/3/20 £83,000)	£83,000

ANNUAL TAX ON ENVELOPED DWELLINGS

Property value	2020-21 £	2019-20 £
Over £0.5m and up to £1m	3,700	3,650
Over £1m and up to £2m	7,500	7,400
Over £2m and up to £5m	25,200	24,800
Over £5m and up to £10m	58,850	57,900
Over £10m and up to £20m	118,050	116,100
Over £20m	236,250	232,350

CAPITAL GAINS TAX

	2020-21 ²	2019-20 ²
Individuals		
Exemption	£12,300	£12,000
Standard rate	10%	10%
Higher rate ¹	20%	20%
Trusts		
Exemption	£6,150	£6,000
Rate	20%	20%

¹ For higher and additional rate taxpayers

² Higher rates (18% and 28%) apply to gains on residential property and carried interest

Business Asset Disposal Relief (formerly Entrepreneurs' Relief) and Investors' Relief

The first £1m of gains qualifying for Business Asset Disposal Relief are charged at 10%. Where gains qualify for Investors' Relief, this rate applies to the first £10m. Gains in excess of these limits are charged at the rates detailed above.

INHERITANCE TAX

Chargeable transfers 2020-21 and 2019-20

£
0 – 325,000 ¹
Over 325,000 ¹

Death Rate

%
Nil
40

Lifetime Rate

%
Nil
20

¹ The Residence Nil-Rate band for 2020-21 is £175,000 (2019-20: £150,000) and may be available in connection with the value of current or former residences. Unused nil rate bands may be transferred to surviving spouses

Reliefs

Annual exemption	£3,000	Marriage - parent	£5,000
Small gifts	£250	- grandparent	£2,500
		- bride/groom	£2,500
		- other	£1,000

Reduced charge on gifts within seven years of death

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20

STAMP DUTY AND STAMP DUTY LAND TAX

Land and buildings in England and N. Ireland ¹

Residential property		Non-residential property	
% ²	£	%	£
0	0 - 125,000	0	0 - 150,000
2	125,001 - 250,000	2	150,001 - 250,000
5	250,001 - 925,000	5	Over 250,000
10	925,001 - 1,500,000		
12	Over 1,500,000		
15 ³	Over 500,000		

Rates are payable on the amount of consideration which falls into each band

¹ Land and buildings in Scotland are subject to Land and Buildings Transaction Tax, and land and buildings in Wales are subject to Land Transaction Tax. The rates of these differ from Stamp Duty Land Tax rates

² Rates may be increased by 3% where further residential properties costing £40,000 or more are acquired

³ Rate applies on entire consideration if the property is acquired by certain non-natural persons

Shares and securities - rate 0.5%

NATIONAL INSURANCE

2020-21 Class 1 (employed) rates

Employee		Employer ^{2,3}	
Earnings per week	%	Earnings per week	%
Up to £183.00	Nil ¹	Up to £169.00	Nil
£183.01 - £962.00	12	Over £169.00	13.8
Over £962.00	2		

¹ Entitlement to contribution-based benefits retained for earnings between £120 and £183 per week

² For employees under 21 and apprentices under 25 the rate is 0% for earnings up to £962 per week

³ An Employment Allowance of up to £4,000 may be deducted by qualifying employers

Class 1A (employers)	13.8% on employee taxable benefits
Class 1B (employers)	13.8% on PAYE Settlement Agreements
Class 2 (self-employed)	Flat rate per week £3.05 Small earnings exception £6,475 p.a.
Class 3 (voluntary)	Flat rate per week £15.30
Class 4 (self-employed)	9% on profits between £9,500 and £50,000 2% on profits over £50,000

MAIN SOCIAL SECURITY BENEFITS

Weekly benefit	2020-21	2019-20
Basic retirement pension		
- single person	£134.25	£129.20
- married couple	£214.70	£206.65
New state pension	£175.20	£168.60
Statutory pay rates - average weekly earnings £118 or over		
Statutory Sick Pay	£95.85	£94.25
Statutory Maternity and Adoption Pay		
First six weeks	90% of weekly earnings	
Next 33 weeks	£151.20 ¹	£145.68 ¹
Statutory Paternity Pay – two weeks	£151.20 ¹	£145.68 ¹

¹ Or 90% of weekly earnings if lower.

SELF ASSESSMENT: KEY DATES 2020-21

31 July 2020	Second payment on account for 2019-20 (with optional deferment until 31 January 2021 following the COVID-19 outbreak)
5 October 2020	Deadline for notifying HMRC of new sources of income if no tax return has been issued for 2019-20.
31 October 2020	Deadline for submission of 2019-20 non-electronically submitted returns.
31 January 2021	Deadline for filing electronic tax returns for 2019-20. Balancing payment due for 2019-20. First payment on account due for 2020-21.

Details are correct as at 1 April 2020 and are for guidance only.

No responsibility for loss occasioned by any person acting or refraining from action as a result of this information can be accepted by the authors or the firm.



WENN TOWNSEND
CHARTERED ACCOUNTANTS



Audit and Assurance

Accountancy

Bookkeeping

Charities

Company Secretarial

Consultancy

Financial Planning

Payroll

Taxation

Trusts



www.wenntownsend.co.uk

information@wenntownsend.co.uk



WENN TOWNSEND

CHARTERED ACCOUNTANTS



ABINGDON

10 Broad Street
Abingdon
OX14 3LH

Tel: 01235 548700
Fax: 01235 548701

CIRENCESTER

5 Gosditch Street
Cirencester
GL7 2AG

Tel: 01285 659778
Fax: 01285 641265

OXFORD

30 St. Giles'
Oxford
OX1 3LE

Tel: 01865 559900
Fax: 01865 310019

www.wenntownsend.co.uk

information@wenntownsend.co.uk