





TAX RATES

2021/22



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INCOME TAX

Rates and bands (other than savings and dividend income)

| 2021/22 | | 2020/21 | |
|------------------|--------|------------------|--------|
| Band £ | Rate % | Band £ | Rate % |
| 0 - 37,700 | 20 | 0 - 37,500 | 20 |
| 37,701 - 150,000 | 40 | 37,501 - 150,000 | 40 |
| Over 150,000 | 45 | Over 150,000 | 45 |

Income tax rates in Scotland and Wales on income other than savings and dividend income have been devolved.

Savings income 2021/22 and 2020/21

| | |
|-------------------------------|--------|
| Savings allowance basic rate | £1,000 |
| Savings allowance higher rate | £500 |

A starting rate of 0% may be available unless taxable non-savings income exceeds £5,000.

Dividend income 2021/22 and 2020/21

| | |
|--------------------------|--------|
| Dividend allowance | £2,000 |
| Dividend ordinary rate | 7.5% |
| Dividend upper rate | 32.5% |
| Dividend additional rate | 38.1% |

INCOME TAX RELIEFS

| | 2021/22 | 2020/21 |
|---------------------------------|----------|----------|
| Personal allowance | £12,570 | £12,500 |
| Personal allowance income limit | £100,000 | £100,000 |
| Marriage allowance | £1,260 | £1,250 |
| Married couple's allowance | £9,125 | £9,075 |
| - minimum amount | £3,530 | £3,510 |
| - income limit | £30,400 | £30,200 |
| Blind person's allowance | £2,520 | £2,500 |

INDIVIDUAL SAVINGS ACCOUNTS

| | 2021/22 | 2020/21 |
|---------------------------------|---------|---------|
| Overall investment limit | £20,000 | £20,000 |
| Junior account investment limit | £9,000 | £9,000 |

DEVOLVED INCOME TAX

Scotland rates and bands

| 2021/22 | | 2020/21 | |
|------------------|--------|------------------|--------|
| Band £ | Rate % | Band £ | Rate % |
| 0 - 2,097 | 19 | 0 - 2,085 | 19 |
| 2,098 - 12,726 | 20 | 2,086 - 12,658 | 20 |
| 12,727 - 31,092 | 21 | 12,659 - 30,930 | 21 |
| 31,093 - 150,000 | 41 | 30,931 - 150,000 | 41 |
| Over 150,000 | 46 | Over 150,000 | 46 |

Wales rates and bands

| 2021/22 | | 2020/21 | |
|------------------|--------|------------------|--------|
| Band £ | Rate % | Band £ | Rate % |
| 0 - 37,700 | 20 | 0 - 37,500 | 20 |
| 37,701 - 150,000 | 40 | 37,501 - 150,000 | 40 |
| Over 150,000 | 45 | Over 150,000 | 45 |

CAPITAL GAINS TAX

| Individuals | 2021/22 | 2020/21 |
|------------------------|---------|---------|
| Exemption | £12,300 | £12,300 |
| Standard rate | 10% | 10% |
| Higher/additional rate | 20% | 20% |
| Trusts | | |
| Exemption | £6,150 | £6,150 |
| Rate | 20% | 20% |

Higher rates (18/28%) may apply to the disposal of certain residential property and carried interest.

Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 10%.

INHERITANCE TAX

| Death rate | Lifetime rate | Chargeable transfers 2021/22 and 2020/21 |
|------------|---------------|---|
| Nil | Nil | 0 - £325,000 (nil rate band) |
| 40% | 20% | Over £325,000 |

A further nil rate band of £175,000 may be available in relation to current or former residences.

CAR, VAN AND FUEL BENEFITS

| 2021/22 | Cars registered pre 6.4.20 | Cars registered after 5.4.20 |
|--------------------------------|----------------------------|------------------------------|
| CO ₂ emissions g/km | % of list price taxed | % of list price taxed |
| 0 | 1 | 1 |
| 1-50 | | |
| Electric range - 130 or more | 2 | 1 |
| 70 - 129 | 5 | 4 |
| 40 - 69 | 8 | 7 |
| 30 - 39 | 12 | 11 |
| under 30 | 14 | 13 |
| 51-54 | 15 | 14 |
| For every extra 5 | +1 | +1 |
| 160 and above | 37 | n/a |
| 165 and above | n/a | 37 |

For fully diesel cars generally add a 4% supplement (unless the car is registered on or after 1 September 2017 and meets the Euro 6d emissions standard) but the maximum is still 37%. For emissions of 75g/km or more if the CO₂ figure does not end in a 5 or 0 round down to the nearest 5 or 0.

2021/22

| | |
|------------------|---------|
| Car fuel benefit | £24,600 |
| Van benefit | £3,500 |
| Van fuel benefit | £669 |

NATIONAL INSURANCE

2021/22 Class 1 (employed) rates

| Employee | | Employer | |
|-------------------|-----|-------------------|------|
| Earnings per week | % | Earnings per week | % |
| Up to £184 | Nil | Up to £170 | Nil |
| £184.01 - £967 | 12 | Over £170 | 13.8 |
| Over £967 | 2 | | |

Entitlement to contribution-based benefits for employees retained for earnings between £120 and £184 per week. The employer rate is 0% for employees under 21 and apprentices under 25 on earnings up to £967 per week.

| | |
|--------------------------------|--|
| 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 profits threshold £6,515 per annum |
| Class 3 (voluntary) | flat rate per week £15.40 |
| Class 4 (self-employed) | 9% on profits between £9,568 and £50,270 plus 2% on profits over £50,270 |

SELECTED RATES

| | 2021/22 | 2020/21 |
|---|---------|---------|
| Weekly benefit | £ | £ |
| Basic State Pension | 137.60 | 134.25 |
| New State Pension | 179.60 | 175.20 |
| Statutory pay standard rates | | |
| - average weekly earnings £120 (£120) or over | | |
| Sick Pay | 96.35 | 95.85 |
| Maternity/Adoption Pay | 151.97 | 151.20 |
| Shared Parental Pay | 151.97 | 151.20 |
| Paternity Pay | 151.97 | 151.20 |

National Living Wage and National Minimum Wage

| Age | NLW | 21-22 | 18-20 | 16-17 | Apprentices |
|-------------------|-------|-------|-------|-------|-------------|
| From 1 April 2021 | £8.91 | £8.36 | £6.56 | £4.62 | £4.30 |

*Applies to apprentices under 19, or 19 and over in the first year of apprenticeship.
NLW applies to those aged 23 and over.*

TAX RELIEFS FOR INDIVIDUALS

2021/22 and 2020/21

Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1m per annum (£2m for knowledge intensive companies):

- Income tax relief at 30%
- Capital gains exemption on disposal

Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £100,000 per annum:

- Income tax relief at 50%
- Capital gains exemption on disposal

Capital gains from the disposal of other assets may be exempt up to £50,000 per annum by making an SEIS investment.

Venture Capital Trusts (VCTs)

Relief on investments in certain quoted companies up to £200,000 per annum:

- Income tax relief at 30%
- Capital gains exemption on disposal

Dividends received from VCTs may be exempt from income tax.

All reliefs subject to detailed conditions being met.

CORPORATION TAX

| | Rate % | | Rate % |
|-----------------|--------|-----------------|--------|
| Year to 31.3.22 | 19 | Year to 31.3.21 | 19 |

Different rates apply for ring-fenced (broadly oil industry) profit.

CAPITAL ALLOWANCES

Corporation tax super-deduction on certain plant and machinery **130%**

First Year Allowance (FYA) on certain plant, machinery and cars of 0g/km **100%**

Corporation tax FYA on long-life assets, integral features of buildings, etc. **50%**

Annual Investment Allowance (AIA) £1,000,000 (£200,000 from 1 January 2022)

Excludes cars

Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km **6%**

Other plant and machinery **18%**

Structures and Buildings Allowance **3%**

PENSIONS

| | 2021/22 | 2020/21 |
|---------------------------------|------------|------------|
| Lifetime Allowance limit | £1,073,100 | £1,073,100 |
| Annual Allowance limit | £40,000 | £40,000 |
| Money Purchase Annual Allowance | £4,000 | £4,000 |

VALUE ADDED TAX

| | From 1.4.21 | From 1.4.20 |
|-----------------------------|-------------|-------------|
| Standard rate | 20% | 20% |
| Reduced rate | 5%* | 5% |
| Annual Registration Limit | £85,000 | £85,000 |
| Annual Deregistration Limit | £83,000 | £83,000 |

**12.5% for hospitality and tourism from 1 October 2021 - 31 March 2022.*

PROPERTY TAXES

Across the whole of the UK, residential rates may be increased by 3% (4% in Scotland and Wales) where further residential properties are acquired.

Stamp Duty Land Tax

Land and buildings in England and N. Ireland

| Residential Band £ | Rate % | Non-residential Band £ | Rate % |
|---------------------|--------|------------------------|--------|
| 0 - 500,000* | 0 | 0 - 150,000 | 0 |
| *500,001 - 925,000 | 5 | 150,001 - 250,000 | 2 |
| 925,001 - 1,500,000 | 10 | Over 250,000 | 5 |
| Over 1,500,000 | 12 | | |

*£250,000 from 1 July 2021. From 1 October 2021, 0% up to £125,000, 2% from £125,001 - £250,000 and 5% from £250,001 - £925,000.

Land and Buildings Transaction Tax

Land and buildings in Scotland

| Residential Band £ | Rate % | Non-residential Band £ | Rate % |
|--------------------|--------|------------------------|--------|
| 0 - 145,000 | 0 | 0 - 150,000 | 0 |
| 145,001 - 250,000 | 2 | 150,001 - 250,000 | 1 |
| 250,001 - 325,000 | 5 | Over 250,000 | 5 |
| 325,001 - 750,000 | 10 | | |
| Over 750,000 | 12 | | |

First-Time Buyer relief may apply on the first £175,000 of residential purchases.

Land Transaction Tax

Land and buildings in Wales

| Residential Band £ | Rate % | Non-residential Band £ | Rate % |
|---------------------|--------|------------------------|--------|
| 0 - 250,000* | 0 | 0 - 225,000 | 0 |
| *250,001 - 400,000 | 5 | 225,001 - 250,000 | 1 |
| 400,001 - 750,000 | 7.5 | 250,001 - 1,000,000 | 5 |
| 750,001 - 1,500,000 | 10 | Over 1,000,000 | 6 |
| Over 1,500,000 | 12 | | |

*The rates are 0% up to £180,000, 3.5% from £180,001 - £250,000 and 5% from £250,001 - £400,000 from 1 July 2021.

Disclaimer: Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.

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Compliance & Business Support Services

Compliance services

- Statutory audits
- Annual accounts preparation
- Company secretarial services
- Payroll procedures
- Tax returns
- Grant claims

Support services

- Financial due diligence
- Management accounts and information
- Payroll advice
- Bookkeeping
- Budgets, business plans and forecasts
- Liaising with banks and institutions
- Sales ledger maintenance and debt collection

Consultancy and systems advice

- Management consultancy
- IT advice on accounting systems
- Tailored financial management systems
- IT training
- Payroll systems

Business Start-Up

- Advice on financing a new business
- Securing start-up funds
- Structuring of business
- Financial planning
- Development of management information systems

Taxation

Corporation tax services

- Self assessment
- Planning

Personal Tax

(including sole traders and partnerships)

- Self assessment
- Tax planning
- Inheritance tax and estate planning
- Trusts

VAT

- Returns
- Advice and compliance

NI and PAYE

- P11Ds advice and completion
- Compliance

Tax Investigations

- Companies
- Sole traders and partnerships
- Individuals

Investments and Pensions

- Financial services
- Retirement planning
- Estate planning
- Pensions advice