



Slaters

& CO ACCOUNTANTS

Tax Rate Guide 2017/18

www.SlatersAccountants.co.uk

A friendly firm based on traditional values

Slaters & Co Accountants is a well established firm based near Newcastle-under-Lyme, Staffordshire.

Established in 1947, originally as AGB Smith, changing in the late 70's to AGB Smith & Son which it remained until 2000 when it became Slaters.

Slaters & Co is a friendly firm based on traditional values. We specialise in dealing with all aspects of owner-managed businesses, from sole-traders through to groups of limited companies, and through the range of accountancy services we offer we are able to tailor-make a package to suit each client's requirements, at a genuine and reasonable cost that is agreed in advance.

Our approach is to work alongside your business to help you understand the information in your accounts, and we pride ourselves on our forward thinking approach and our willingness to help, which enables us

to help you to run your business as profitably and effectively as possible.

We aim to operate as your financial director/manager and help to ensure your overall financial wellbeing, and our team of friendly, approachable staff are all highly experienced in their area of specialism, whether that be our accountants, financial planners, tax experts, payroll specialists and business advisors.

With low client and staff turnover, we can offer our clients the peace of mind that they are dealing with a firm that really understands their business and circumstances.

You'll find our rates to be some of the most competitive in Newcastle-under-Lyme. We can tailor-make a package to suit each individual client's requirements, at a genuine and reasonable cost that is agreed in advance. Our friendly specialists are also dedicated to delivering the best service to you, through clear and direct communication at every step.

"We have used the services of Slaters Accountants over the last decade and have always been pleased with the service given. We have found the staff approachable, friendly and efficient.

Life has certainly been made easier for us and all the stress taken off our shoulders when dealing with tax matters"

Accountancy Services

we specialise in dealing with all aspects of owner-managed businesses, from sole-traders through to groups of limited companies.

Our mission is to ensure our clients overall financial wellbeing, which we aim to achieve through offering a full range of services, including:

- **Accounts (all aspects)**
- **Management Accounting**
- **Bookkeeping**
- **Payroll**
- **VAT**
- **Taxation (incl. Tax planning & Consultancy)**
- **Deputyships**
- **Business Planning.**

We've included our handy tax rate guide inside this booklet

We offer a free, no obligation initial chat if you wanted to discuss any areas of your financial management. Simply call our friendly team on **01782 566101**



Tax Rate Guide

2017/18

Income Tax Allowances

	2017/18 £	2016/17 £
Personal allowance	11,500	11,000
Income limit	100,000	100,000
Transferable marriage allowance ¹	1,150	1,100
Married couple's allowance ¹ (relief at 10%)		
Either partner born before 6.4.1935	8,445	8,355
Income limit	28,000	27,700
Minimum where income exceeds limit	3,260	3,220
Blind person's allowance	2,320	2,290
Trading allowance ²	1,000	N/A
Property income allowance ²	1,000	N/A
Dividend allowance	5,000	5,000
Personal savings allowance		
Basic rate taxpayers	1,000	1,000
Higher rate taxpayers	500	500

Income Tax Rates

Taxable Income £	Rate %
2017/18	
0 - 33,500 ³	20
33,501 - 150,000 ³	40
Over 150,000	45
2016/17	
0 - 32,000	20
32,001 - 150,000	40
Over 150,000	45

A 0% starting rate for savings income only applies to the extent that such income falls within the first £5,000 of taxable income. If taxable non-savings income exceeds the limit, the starting rate does not apply. A 0% rate applies to savings income falling within the personal savings allowance. Income taxable at the starting rate for savings does not all within the personal savings allowance.

A 0% rate applies to dividend income within the dividend allowance.

The trust rate of income tax is 45%. The dividend trust rate is 38.1%

¹Available for civil partners.

²For 2017/18 profits are not charged to income tax where receipts do not exceed allowance.

³For 2017/18 for Scottish taxpayers the basic rate band is £31,500. This applies only to non-savings non-dividend income.

National Insurance Contributions

2017/18

Class 1 (Earnings related)

Employees

Weekly earnings	
First £157	Nil
£157.01 - £866	12%
Over £866	2%

Employers

Weekly earnings	
First £157	Nil
Over £157	13.8%

Employees' rates are reduced to 5.85% for married women with valid certificates of election but the 2% rate above £866 still applies. Rates are nil for employees over state pensionable age. Normal employers' contributions are still payable. Employers' rates for employees under 21 and apprentices under 25 are nil on earnings up to £866 per week.

Employment allowance

(per employer) - £3,000 a year.

Class 1A and Class 1B - 13.8%

Class 2 (Self-employed) - Flat rate £2.85 a week.

Small profits threshold £6,025 a year.

Class 3 (voluntary contributions) - £14.25 a week.

Class 4 (Self-employed) - 9% of profits between £8,164 and

£45,000 a year. 2% of profits above £45,000 a year.

Inheritance Tax

	17/18	16/17
Nil-rate band ¹	£325,000	£325,000
Residence nil-rate band ¹	£100,000	N/A
Rate of tax on excess	40% ²	40% ²
Chargeable lifetime transfers	20%	20%

Annual gifts of up to £3,000 per donor are exempt.

¹Unused nil rate band is transferable to spouse or civil partner.

²36% where 10% or more of the net estate is left to charity.

Tax Credits

Annual amounts 2017/18	£
Child tax credit	
Family element	545
Child element (for each child)	2,780
Disabled child element	3,175
Severe disabled child element	1,290
Working tax credit	
Basic element	1,960
Lone parent and couple element	2,010
30-hour element	810
Disability element	3,000
Severe disability element	1,290
Childcare element (up to 70% of costs)	Weekly
Maximum eligible cost (1 child)	175
Maximum eligible cost (2 or more)	300

Income thresholds

Income threshold	6,420
Eligible for child tax credit only	16,105
Withdrawal rate	41%
Income rise disregard	2,500
Income fall disregard	2,500

Capital Gains Tax

Annual exempt amounts 2017/18	£
Individuals, disabled trusts, personal representatives for year of death and two years thereafter	11,300
Trusts generally	5,650
Rates 2017/18	
Individuals:	
Standard rate	10%
Higher rate	20%
Trustees and personal representatives	20%
Gains on residential property and carried interest	18/28%
Gains on which entrepreneurs' relief applies ¹	10%

Corporation Tax

Financial Year to	31/3/2018	31/3/2017
Rate	19%	20% ²

Stamp Taxes

Shares and marketable securities	.05% ²
Transfer of land and buildings ³	
Residential (on band of consideration) ^{4,5}	
£0 - £125,000	0%
£125,001 - £250,000	2%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
Over 1,500,000	12%

Non-residential (on band of consideration)

£0 - £150,000	0%
£150,001 - £250,000	2%
Over £250,000	5%

Leases (Rent - on band of net present value)³

Residential	Non-residential	Rate
£0 - £125,000	£0 - £150,000	Nil
Over £125,000	£150,001 - £5,000,000	1%
N/A	Over 5,000,000	2%

Premiums²

Duty on premiums is the same as for transfers of land.

¹Subject to lifetime limit on gains of £10 million.

²Rounded up to the nearest multiple of £5. Transactions of £1,000 or less exempt.

³Transfers of land and leases in Scotland are chargeable to land and buildings transaction tax. Different rates of tax may apply.

⁴Where the consideration exceeds £500,000 and the purchase is by - or by a partnership including - a company or collective investment scheme enveloping the property, the rate is 15% of the total consideration.

⁵Rates are increased by 3 percentage points for certain purchases, including purchase of additional residential properties by individuals. Transactions under £40,000 are excluded.

Car Benefit

CO2 emissions (2017/18) (grams per km)	Petrol	Diesel
0-50	9	12
51-75	13	16
76-94	17	20
95-99	18	21
100-104	19	22
105-109	20	23
110-114	21	24
115-119	22	25
120-124	23	26
125-129	24	27
130-134	25	28
135-139	26	29
140-144	27	30
145-149	28	31
150-154	29	32
155-159	30	33
160-164	31	34
165-169	32	35
170-174	33	36
175-179	34	37
180-184	35	37
185-189	36	37
190 or more	37	37

A 9% charge applies to cars incapable of producing CO²

Car Fuel Benefit

For 2017/18 car fuel benefit is calculated by applying the above car benefit percentage to a figure of £22,600.

Tax-Free Mileage Allowances

Employee's own vehicle	2017/18
Motor cars & vans	
Up to 10,000 business miles	45p
Over to 10,000 business miles	25p
Each passenger making same trip	5p
Motorcycles	24p
Cycles	20p

Advisory fuel rates for company car from 1 March 2017

Cylinder capacity	Petrol	Diesel	LPG
0 - 1,400 cc	11p	-	7p
0 - 1,600 cc	-	9p	-
1,401 cc - 2,000 cc	14p	-	9p
1,601 cc - 2,000 cc	-	11p	-
Over 2,000 cc	22p	13p	14p

"Since joining Slaters my astronomical tax bills have reduced by almost half following their advice.

They carry out all my accounting needs such as payroll, book-keeping, accounts and my tax returns. I also have quarterly management accounts prepared and a meeting to discuss how the business is doing and any plans for the future.

I feel that I am now receiving the advice that I wanted years ago."

Fixed Rate Deductions

Unincorporated Businesses

Vehicle expenditure	Amount per mile
Motorcars and goods vehicles	
Upto 10,000 business miles	45p
Over 10,000 business miles	24p
Motorcycles	24p

Business use of home

Hours worked per month	Amount per month
25 or more	£10
51 or more	£18
101 or more	£26

Private use of business premises

Number of occupants	Disallowable amount per month
1	£350
2	£500
3 or more	£650

Individual Savings Accounts

Limits	2017/18	2016/17
Annual limit	£20,000	£15,240
Junior ISA annual limit	£4,128	£4,080
Lifetime ISA annual limit	£4,000	N/A
Help to Buy ISA monthly limit	£200	£200

Investment Reliefs

	Investment Limit	Income Tax relief rate
Enterprise investment scheme	£1,000,000	30%
Venture capital trusts	£200,000	30%
Seed enterprise investment scheme	£100,000	50%
Social investment relief	£1,000,000	30%

Value Added Tax

Standard rate	20%
Lower rate	5%

Registration threshold from 1 April 2017	£85,000 pa
Deregistration limit from 1 April 2017	£83,000 pa
Annual accounting scheme turnover limit	£1,350,000 pa
Cash accounting scheme turnover limit	£1,350,00 pa
Flat rate scheme turnover limit	£150,000 pa



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Capital Allowances

	Rate %
Dredging (Straight-line basis) Writing-down allowance	4
Know-how (reducing balance basis) Writing-down allowance	25
Mineral extraction (reducing balance basis) Writing-down allowances General	25
Acquisition of mineral asset	10
Patent rights (reducing balance basis) Writing-down allowance	25
Plant and machinery (reducing balance basis) Annual investment allowance (max £200,000)	100
First-year allowances Energy-saving or environmentally beneficial assets	100
New cars with CO2 emissions not exceeding 75g/km	100
New zero-emission goods vehicles	100
New assets for use in designated areas of enterprise zones	100
New electric charge-point equipment	100
Writing-down allowances General	18
Cars (other than low-emission cars)	8
Special rate expenditure (including integral features and thermal insulation)	8
Long-life assets	8
Research and development	100

Registered Pension Schemes

Individual contributions

Maximum tax-relievable contributions are the higher of:

- 100% of taxable UK earnings; or
- £3,600 (where the scheme applies tax relief at source).

2017/18

Annual allowance	£40,000
Income limit	£150,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	£1,000,000

2016/17

Annual allowance	£40,000
Income limit	£150,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	£1,000,000

Any unused annual allowance can be carried forward for up to three years.