

MOORE STEPHENS

---

Tax rates  
2018/19

PRECISE. PROVEN. PERFORMANCE.

Many of the rates and allowances shown in this card are subject to a range of exceptions and special rules that apply in different circumstances. The details set out below should be taken only as a general guide.

## Personal tax

### Income tax rates

| General rate       | Dividend rate | Taxable income 2018/19 | Taxable income 2017/18 |
|--------------------|---------------|------------------------|------------------------|
| 20% <sup>(1)</sup> | 7.5%          | £0 to £34,500          | £0 to £33,500          |
| 40%                | 32.5%         | £34,501 to £150,000    | £33,501 to £150,000    |
| 45%                | 38.1%         | Over £150,000          | Over £150,000          |

Certain trusts taxed at 45% (38.1% on dividend income).

<sup>1</sup> Savings income of up to £5,000 taxable at 0% in certain circumstances.

### Main allowances and reliefs

|   | 2018/19 | 2017/18 |
|---|---------|---------|
| Personal allowance <sup>(1)</sup>         | £11,850 | £11,500 |
| Dividend allowance <sup>(2)</sup>         | £2,000  | £5,000  |
| Personal savings allowance <sup>(2)</sup> |         |         |
| Basic rate taxpayer                       | £1,000  | £1,000  |
| Higher rate taxpayer                      | £500    | £500    |
| Additional rate taxpayer                  | Nil     | Nil     |

<sup>1</sup> Withdrawn at a rate of £1 of allowance for every £2 of income over £100,000.

<sup>2</sup> The dividend allowance and personal savings allowance utilise the basic and higher rate bands.

### Capital gains tax

|   | 2018/19            | 2017/18            |
|---|--------------------|--------------------|
| Basic rate taxpayers  | 10%                | 10%                |
| Higher rate taxpayers                                       | 20% <sup>(1)</sup> | 20% <sup>(1)</sup> |
| Trustees  | 20% <sup>(1)</sup> | 20% <sup>(1)</sup> |
| Entrepreneurs' relief                                       | 10%                | 10%                |
| Annual exemption (individuals and personal representatives) | £11,700            | £11,300            |
| Annual exemption (trustees)                                 | £5,850             | £5,650             |

<sup>1</sup> A rate of 28% applies to chargeable gains accruing on the disposal of residential property and certain other assets.

### Individual savings accounts (ISAs)

|                                  | 2018/19 | 2017/18 |
|----------------------------------|---------|---------|
| Maximum investment               | £20,000 | £20,000 |
| Cash in a junior ISA (Under 18s) | £4,260  | £4,128  |

## Registered pension schemes: tax relief

|   | 2018/19                | 2017/18                |
|---|------------------------|------------------------|
| Annual contribution allowance 100% of salary up to      | £40,000 <sup>(1)</sup> | £40,000 <sup>(1)</sup> |
| Permitted pension contribution (irrespective of salary) | £3,600                 | £3,600                 |
| Lifetime benefit allowance                              | £1,030,000             | £1,000,000             |

<sup>1</sup> Broadly, reduced by £1 for every £2 of income above £150,000, to a minimum allowance of £10,000.

## Inheritance tax

### Tax rate on death

|     | 2018/19        | 2017/18        |
|-----|----------------|----------------|
| Nil | Up to £325,000 | Up to £325,000 |
| 40% | Above £325,000 | Above £325,000 |

For 2018/19 an additional 'residence nil rate band' of £125,000 can be used, broadly, against the transfer of residential property or proceeds to a child or grandchild.

### Lifetime gifts

Most lifetime gifts to individuals are charged to inheritance tax only if made within seven years before the donor's death. Subject to the nil rate band they are charged on the following scale:

| Years before death | 0-3 | 3-4 | 4-5 | 5-6 | 6-7 |
|--------------------|-----|-----|-----|-----|-----|
| % of death charge  | 100 | 80  | 60  | 40  | 20  |
| % effective rate   | 40  | 32  | 24  | 16  | 8   |

Lifetime gifts to most trusts are, subject to the nil rate band, chargeable at half the death rate increasing on the above scale if death occurs within seven years.

## Business tax

### Corporation tax

|                 | FY2018 | FY2017 |
|-----------------|--------|--------|
| Taxable profits | 19%    | 19%    |

For FY2019 the rate will be 19%; for FY2020 the rate will be 17%.

### Capital allowances

| Annual investment allowance   | 2018/19  | 2017/18  |
|---|----------|----------|
| 100% allowance for expenditure on plant and machinery (excluding cars) up to: | £200,000 | £200,000 |
| First year allowances   |          |          |
| Qualifying assets   | 100%     | 100%     |
| Writing-down annual allowances (on a reducing balance basis)                  |          |          |
| Integral features, long life plant and machinery, and certain cars            | 8% pa    | 8% pa    |
| Other plant and machinery   | 18% pa   | 18% pa   |

## Indirect taxes

### VAT

|   | FY2018     | FY2017     |
|---|------------|------------|
| Standard rate                                       | 20%        | 20%        |
| Fraction  | 1/6        | 1/6        |
| Registration <sup>(1)</sup> – annual turnover limit | £85,000    | £85,000    |
| De-registration – annual turnover limit             | £83,000    | £83,000    |
| Cash accounting turnover limit                      | £1,350,000 | £1,350,000 |
| Annual accounting turnover limit                    | £1,350,000 | £1,350,000 |

<sup>1</sup> The threshold is nil for non-UK established businesses making taxable supplies in the UK.

### National insurance contributions 2018/19

#### Class 1 Employees' rates

| Weekly earnings | Rate |
|-----------------|------|
| Below £162      | nil  |
| £162 to £892    | 12%  |
| Over £892       | 2%   |

#### Class 1 Employers' rates

| Weekly earnings                     | Rate   |
|-------------------------------------|--------|
| Below £162                          | nil    |
| Over £162 <sup>(1)</sup>            | 13.8%  |
| Annual allowance for most employers | £3,000 |

<sup>1</sup> Special rules for employees under 21 years old, or apprentices under 25 years old.

- Class 1A Employer** 13.8% on most benefits in kind not within Class 1.
- Class 2 Self-employed** Flat rate £2.95 pw (if earnings exceed £6,205).
- Class 3 Voluntary** Flat rate £14.65 pw.
- Class 4 Self-employed** 9% on annual profits between £8,424 and £46,350  
2% on annual profits above £46,350.

[www.moorestephens.co.uk](http://www.moorestephens.co.uk)

We believe the information in *Tax rates 2018/19* to be correct at the time of going to press, but we cannot accept any responsibility for any loss occasioned to any person as a result of action or refraining from action as a result of any item herein.

DPS38864 December 2017