

MOORE STEPHENS

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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 Withdrawn at a rate of £1 of allowance for every £2 of income over £100,000.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
<b>First year allowances</b>		
Qualifying assets	100%	100%
<b>Writing-down annual allowances</b> (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.

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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.

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