

INDIVIDUAL SAVINGS ACCOUNTS

	2020/21	2019/20
Overall investment limit	£20,000	£20,000
Junior account investment limit	£9,000	£4,368
Lifetime ISA annual limit	£4,000	£4,000
Help to buy ISA monthly limit	Closed to new accounts from 30 Nov 2019	£200

INVESTMENT RELIEFS

	Investment limits	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%
Reduced rate	5%
Registration threshold	£85,000 p.a.
Deregistration limit	£83,000 p.a.
Annual accounting scheme turnover limit	£1,350,000 p.a.
Cash accounting scheme turnover limit	£1,350,000 p.a.
Flat rate scheme turnover limit	£150,000 p.a.

REGISTERED PENSION SCHEMES

2020/21	
Annual allowance	£40,000
Income limit	£240,000
Minimum where income exceeds limit	£4,000
Lifetime allowance	£1,073,100

2019/20	
Annual allowance	£40,000
Income limit	£150,000
Minimum where income exceeds limit	£10,000
Lifetime allowance	£1,055,000

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

CHILD BENEFIT

1st child (per week)	£21.05
Each additional child (per week)	£13.95

ADVISORY FUEL RATES FROM 1 MARCH 2020

These rates apply from 1 March 2020. You can use the previous rates for up to 1 month from the date the new rates apply.

Engine size	Petrol - amount per mile	LPG - amount per mile
1400cc or less	12 pence	8 pence
1401cc to 2000cc	14 pence	10 pence
Over 2000cc	20 pence	14 pence

Engine size	Diesel - amount per mile
1600cc or less	9 pence
1601cc to 2000cc	11 pence
Over 2000cc	13 pence

Hybrid cars are treated as either petrol or diesel cars for this purpose.

Advisory Electricity Rate

The Advisory Electricity Rate for fully electric cars is 4 pence per mile. Electricity is not a fuel for car fuel benefit purposes.

FIXED RATE DEDUCTIONS

Unincorporated businesses

Vehicle expenditure	Flat rate per mile with simplified expenses
Vehicle	
Cars and goods vehicles first 10,000 miles	45p
Cars and goods vehicles after 10,000 miles	25p
Motorcycles	24p
Use of home as office	
Hours of business use per month	Flat rate per month
25 to 50	£10
51 to 100	£18
101 and more	£26

Living at your business premises

A small number of businesses use their business premises as their home, e.g. a guesthouse, bed and breakfast or small care home.

You can use simplified expenses instead of working out the split between what you spend for your private and business use of the premises.

With simplified expenses you calculate the total expenses for the premises. Then use the flat rates to subtract an amount for your personal use of the premises, based on the number of people living on the premises and claim the rest as your business expenses.

Number of people	Flat rate per month
1	£350
2	£500
3+	£650

CAR BENEFIT

CO2 Emissions (g/miles)	Electric Range	2019/2020	2020/2021	
			Registered before 6 April 2020	Registered from 6 April 2020
0	N/A	16	0	0
1-50	>130	16	2	0
1-50	70-129	16	5	3
1-50	40-69	16	8	6
1-50	30-39	16	12	10
1-50	<30	16	14	12
51-54		19	15	13
55-59		19	16	14
60-64		19	17	15
65-69		19	18	16
70-74		19	19	17
75-79		22	20	18
80-84		22	21	19
85-89		22	22	20
90-94		22	23	21
95-99		23	24	22
100-104		24	25	23
105-109		25	26	24
110-114		26	27	25
115-119		27	28	26
120-124		28	29	27
125-129		29	30	28
130-134		30	31	29
135-139		31	32	30
140-144		32	33	31
145-149		33	34	32
150-154		34	35	33
155-159		35	36	34
160-164		36	37	35
165-169		37	37	36
170-174		37	37	37
175-179		37	37	37
180-184		37	37	37
185-189		37	37	37
190 or over		37	37	37

Remember to add an extra 4% to the taxable percentage of the P11D value for any diesel vehicle that doesn't meet the new RDE2 test standards.

Car Fuel benefit

The car fuel benefit is calculated by applying the same percentages to the fuel benefit charge multiplier, which for 2020/21 is £24,500 (£24,100 in 2019/20).



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INCOME TAX ALLOWANCES

	2020/21	2019/20
Personal allowance	£12,500	£12,500
Personal allowance income limit	£100,000	£100,000
Transferable marriage allowance	£1,250	£1,250
Married couple's allowance (relief @ 10%)	£9,075	£8,915
Either partner born before 06.04.1935		
- Minimum amount	£3,510	£3,450
- Income limit	£30,200	£29,600
Blind person's allowance	£2,500	£2,450
Dividend allowance	£2,000	£2,000
Personal savings allowance		
Basic rate taxpayers	£1,000	£1,000
Higher rate taxpayers	£500	£500

Rates and bands (other than savings and dividend income)

2020/21			2019/20		
Band £	Rate %	Dividend rate %	Band £	Rate %	Dividend rate %
0 - 37,500	20	7.5	0 - 37,500	20	7.5
37,501 - 150,000	40	32.5	37,501 - 150,000	40	32.5
Over 150,000	45	38.1	Over 150,000	45	38.1

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

CAPITAL GAINS TAX

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

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

DEVOLVED INCOME TAX

Scotland rates and bands

2020/21		2019/20	
Band £	Rate %	Band £	Rate %
Over £12,500 to £14,585	19	Over £12,500 to £14,549	19
£14,586 - £25,158	20	£14,550 - £24,944	20
£25,159 - £43,430	21	£24,945 - £43,430	21
£43,431 - £150,000	41	£43,431 - £150,000	41
Over 150,000	46	Over 150,000	46

Wales rates and bands Introduced from 6 April 2019.

2020/21		2019/20	
Band £	Rate %	Band £	Rate %
0 - 37,500	20	0 - 37,500	20
37,501 - 150,000	40	37,501 - 150,000	40
Over 150,000	45	Over 150,000	45

INHERITANCE TAX

	2020/21	2019/20
Nil-rate band	£325,000	£325,000
Residence nil-rate band	£175,000	£150,000
Rate of tax on excess	40%	40%
Chargeable lifetime transfers	20%	20%

Gifts

Annual gifts per donor	£3,000
Small gifts per donee	£250
Gifts on marriage or civil partnership:	
Parent (each)	£5,000
Grandparents/remote ancestor and spouse	£2,500
Others	£1,000

ENTREPRENEURS' RELIEF AND INVESTORS' RELIEF

The first £1m of qualifying gains are charged at 10%. Gains in excess of the limit are charged at the rates specified in the capital gains tax section.

CORPORATION TAX

	Rate %	Rate %	
Year to 31.03.21	19%	Year to 31.03.20	19%

NATIONAL INSURANCE

Class 1 (earnings related)

Employees	2020/21	2019/20	
Weekly earnings			
First £183	0%	First £166	0%
£183.01 - £962	12%	£166.01 - £962	12%
Over £962	2%	Over £962	2%

Employers	2020/21	2019/20	
Weekly earnings			
First £169	0%	First £166	0%
Over £169	13.80%	Over £166	13.80%

Employment allowance £4,000 per employer

	2020/21	2019/20
Class 1A and Class 1B	13.80%	13.80%

Class 2 (self-employed)	£3.05 per week Small profits threshold £6,475	£3.00 per week Small profits threshold £6,365
Class 3 (voluntary contributions)	£15.30 per week	£15.00 per week

Class 4 (self-employed)	9% Profits between £9,500 - £50,000	9% Profits between £8,632 - £50,000
	2% Profits over £50,000	2% Profits over £50,000

TAX FREE MILEAGE ALLOWANCE

Type of Vehicle	Rate per business mile 2020 to 2021
Car	For tax purposes: 45 pence for the first 10,000 business miles in a tax year, then 25 pence for each subsequent mile
Motorcycle	For National Insurance purposes: 45 pence for all business miles 24 pence for both tax and National Insurance purposes and for all business miles
Cycle	20 pence for both tax and National Insurance purposes and for all business miles

STAMP TAXES

Residential	
£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%
2% SDLT surcharge for non-UK residents from 1 April 2021.	
Non-residential	
£0 - £150,000	0%
£150,001 - £250,000	2%
Over £250,000	5%

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

CAPITAL ALLOWANCES

Annual investment allowance

Max £1,000,000 p/a from 1 January 2019 to 31 December 2020. Decreasing to £200,000 from 1 January 2021.

First-year allowances

(100% deduction)
New cars with CO2 emissions of 50g/km or less
Qualifying energy-saving plant and machinery

Writing-down allowances

General	18%
Cars (with CO2 emissions from 51 to 110g/km)	18%
Cars (with CO2 emissions over 110g/km)	6%
Special rate expenditure	6%
Long-life assets	6%
Structures and buildings (Straight line basis)	
Writing down allowance	3%