

W H I T E L A W W E L L S

CHARTERED ACCOUNTANTS

*...where people matter*

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Tax Data 2020/21



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## Income Tax

### Rates and bands (other than savings and dividend income)

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

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

### Savings income 2020/21 and 2019/20

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 2020/21 and 2019/20

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

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## Income Tax Reliefs

	2020/21	2019/20
Personal allowance	£12,500	£12,500
Personal allowance income limit	£100,000	£100,000
Marriage allowance	£1,250	£1,250
Married couple's allowance	£9,075	£8,915
- minimum amount	£3,510	£3,450
- income limit	£30,200	£29,600
Blind person's allowance	£2,500	£2,450

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## Individual Savings Accounts

	2020/21	2019/20
Overall investment limit	£20,000	£20,000
Junior account investment limit	£9,000	£4,368

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## Devolved Income Tax

### Scotland rates and bands

2020/21		2019/20	
Band £	Rate %	Band £	Rate %
0 - 2,085	19	0 - 2,049	19
2,086 - 12,658	20	2,050 - 12,444	20
12,659 - 30,930	21	12,445 - 30,930	21
30,931 - 150,000	41	30,931 - 150,000	41
Over 150,000	46	Over 150,000	46

### Wales rates and bands

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

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## Capital Gains Tax

Individuals	2020/21	2019/20
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.*

### Entrepreneurs' Relief

*The first £10m of qualifying gains are charged at 10%. This is reduced to £1m for disposals on or after 11 March 2020 subject to certain transitional rules.*

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## Inheritance Tax

Death rate	Lifetime rate	Chargeable transfers 2020/21 and 2019/20
Nil	Nil	0 - £325,000 (nil rate band)
40%	20%	Over £325,000

*A further nil rate band of £175,000 (£150,000 for 2019/20) may be available in relation to current or former residences.*

## Car, Van and Fuel Benefits

2020/21	Cars registered pre 6.4.20	Cars registered after 5.4.20
CO <sub>2</sub> emissions g/km	% of list price taxed	% of list price taxed
0	0	0
1-50		
Electric range - 130 or more	2	0
70 - 129	5	3
40 - 69	8	6
30 - 39	12	10
under 30	14	12
51-54	15	13
For every extra 5	+1	+1
160 and above	37	n/a
170 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 CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

### 2020/21

Car fuel benefit	£24,500
Van benefit	£3,490
Van fuel benefit	£666

## National Insurance

### 2020/21 Class 1 (employed) rates

Employee		Employer	
Earnings per week	%	Earnings per week	%
Up to £183	Nil	Up to £169	Nil
£183.01 - £962	12	Over £169	13.8
Over £962	2		

Entitlement to contribution-based benefits for employees retained for earnings between £120 and £183 per week. The employer rate is 0% for employees under 21 and apprentices under 25 on earnings up to £962 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 £6,475 per annum
- Class 3 (voluntary)** flat rate per week £15.30
- Class 4 (self-employed)** 9% on profits between £9,500 and £50,000 plus 2% on profits over £50,000

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## Selected Rates

	2020/21	2019/20
<b>Weekly benefit</b>	£	£
<b>Basic State Pension</b>	134.25	129.20
<b>New State Pension</b>	175.20	168.60
<b>Statutory pay standard rates</b>		
- average weekly earnings £120 (£118) or over		
Sick Pay	95.85	94.25
Maternity/Adoption Pay	151.20	148.68
Shared Parental Pay	151.20	148.68
Paternity Pay	151.20	148.68

## National Living Wage and National Minimum Wage

Age	NLW	21-24	18-20	16-17	Apprentices
From 1 April 2020	£8.72	£8.20	£6.45	£4.55	£4.15

*Applies to apprentices under 19, or 19 and over in the first year of apprenticeship.  
NLW applies to those aged 25 and over.*

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## Key Dates and Deadlines

Payment Dates		2020/21	2019/20
<b>Income Tax and Class 4 NIC</b>			
1st payment on account	31 January	2021	2020
2nd payment on account	31 July	2021	2020
Balancing payment	31 January	2022	2021
<b>Class 2 NIC</b>	31 January	2022	2021
<b>Capital Gains Tax</b>	31 January	2022	2021
<b>Class 1A NIC</b>	19 July	2021	2020

**Corporation Tax** – 9 months and one day after the end of accounting period (quarterly instalments if large company)

### 2019/20 Returns Filing Deadlines:

31 May 2020 - P60s to employees

6 July 2020 - P11D and P11D(b) and copies to employees

31 October 2020 - paper Self Assessment Tax Return (SATR)

30 December 2020 - SATR Online where outstanding tax (subject to cap) to be included in 2021/22 PAYE code

31 January 2021 - SATR Online

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## Corporation Tax

	Rate %		Rate %
Year to 31.3.21	19	Year to 31.3.20	19

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

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## Capital Allowances

**First Year Allowance (FYA)** on certain plant, machinery and cars up to 50g/km **100%**

**Annual Investment Allowance (AIA) £1,000,000 (£200,000 from 1 January 2021)**

Excludes cars and expenditure already qualifying for FYA

### Writing Down Allowance

Expenditure not qualifying for AIA or FYA:

Long-life assets, integral features of buildings, cars over 110g/km **6%**

Other plant and machinery **18%**

**Structures and Buildings Allowance** **3%**

From April 2020

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## Pensions

	2020/21	2019/20
Lifetime Allowance limit	£1,073,100	£1,055,000
Annual Allowance limit	£40,000	£40,000
Money Purchase Annual Allowance	£4,000	£4,000

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## Value Added Tax

	From 1.4.20	From 1.4.19
Standard rate	20%	20%
Reduced rate	5%	5%
Annual Registration Limit	£85,000	£85,000
Annual Deregistration Limit	£83,000	£83,000

## Property Taxes

In England and N.Ireland, residential rates may be increased by 3% (4% in Scotland) where further residential properties are acquired. In Wales different rates and bands may apply to the purchase of further residential properties.

### Stamp Duty Land Tax

Land and buildings in England and N. Ireland

<b>Residential Band £</b>	<b>Rate %</b>	<b>Non-residential Band £</b>	<b>Rate %</b>
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		

*Residential rates apply from 8 July 2020 to 31 March 2021.*

### Land and Buildings Transaction Tax

Land and buildings in Scotland

<b>Residential Band £</b>	<b>Rate %</b>	<b>Non-residential Band £</b>	<b>Rate %</b>
0 - 250,000	0	0 - 150,000	0
250,001 - 325,000	5	150,001 - 250,000	1
325,001 - 750,000	10	Over 250,000	5
Over 750,000	12		

*Residential rates apply from 15 July 2020 to 31 March 2021.*

### Land Transaction Tax

Land and buildings in Wales

<b>Residential Band £</b>	<b>Rate %</b>	<b>Non-residential Band £</b>	<b>Rate %</b>
0 - 250,000	0	0 - 150,000	0
250,001 - 400,000	5	150,001 - 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		

*Residential rates apply from 27 July 2020 to 31 March 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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## **Our Services**

### **Business Planning**

- Business start-up planning and advice
- Strategic and business planning
- Financial management
- Computer and financial systems advice

### **Taxation Advice**

- Self assessment
- Personal tax
- Business tax
- Company tax
- Capital gains tax
- Inheritance tax
- HM Revenue and Customs enquiries
- Value Added Tax
- PAYE and national insurance compliance
- Preparing for Making Tax Digital

### **Accounting**

- Preparation of annual accounts
- Preparation of periodic management accounts
- Providing book-keeping services
- Maintaining PAYE and VAT records and associated returns

### **Company Secretarial**

- Preparation and filing of statutory returns
- Preparation of minutes and resolutions
- Company formation
- Company searches

### **Auditing**

- Statutory audit

**Please contact us for further information.**