



# 2017/18

JJ Accounting Solutions

Tax Data Guide

March 2017

# **JJ Accounting Solutions Ltd**

## **A new kind of accountancy firm**

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We bring a proactive approach to support your needs and offer a personal service which are the foundations in building a long term working relationship.

With years of experience, we are a progressive accounting firm and combined our passion for business and finance and created a different kind of accountancy firm; a firm with heart which always puts its customers first.

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## Guide - HMRC Tax rates and thresholds for 2017/18

Income Tax Allowances		
	2017/18 (£)	2016/17 (£)
<b>Personal allowance</b>	11,500	11,000
Income limit	100,000	100,000
<b>Transferable marriage allowance<sup>1</sup></b>	1,150	1,100
<b>Married couple's allowance<sup>1</sup></b> (relief at 10%)		
Either partner born before 06/04/1935	8,445	8,355
Income limit	28,000	27,700
Minimum where income exceeds limit	3,260	3,220
<b>Blind person's allowance</b>	2,320	2,290
<b>Trading allowance<sup>2</sup></b>	1,000	N/A
<b>Property income allowance<sup>2</sup></b>	1,000	N/A
<b>Dividend allowance</b>	5,000	5,000
<b>Personal savings allowance</b>		
Basic rate taxpayers	1,000	1,000
Higher rate taxpayers	500	500

Income Tax Rates	
Taxable Income £	Rate %
<b>2017/18</b>	
Basic Rate: £0 – £33,500 <sup>3</sup>	20
Higher Rate: £33,501 – £150,000 <sup>3</sup>	40
Additional Rate: Over £150,000	45
<b>2016/17</b>	
Basic Rate: £0 – £32,000	20
Higher Rate: £32,001 – £150,000	40
Additional Rate: Over £150,000	45
<p>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 fall within the personal savings allowance.</p> <p>A 0% rate applies to dividend income within the dividend allowance.</p> <p>The <b>trust rate</b> of income tax is 45%. The <b>dividend trust rate</b> is 38.1%.</p>	

<sup>1</sup> Available for civil partners.

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

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

## National Insurance Contributions

2017/18	Rate %
<b>Class 1</b> (Earnings related)	
<b>Employees</b>	
<i>Weekly earnings</i>	
First £157.00	<b>NIL</b>
£157.01 - £866.00	<b>12</b>
Over £866.00	<b>2</b>
<b>Employers</b>	
<i>Weekly earnings</i>	
First £157.00	<b>NIL</b>
Over £157.00	<b>13.8</b>
<p>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.</p>	
<p><b>Employment allowance</b> (per employer) – £3,000 a year.</p> <p><b>Class 1A and Class 1B</b> – 13.8%</p> <p><b>Class 2</b> (Self-employed) – Flat rate £2.85 per week. Small profits threshold £6,025 per year.</p> <p><b>Class 3</b> (Voluntary contributions) – £14.25 per week.</p> <p><b>Class 4</b> (Self-employed) – 9% of profits between £8,164 and £45,000 per year. 2% of profits above £45,000 per year.</p>	

## Inheritance Tax

	2017/18	2016/17
Nil-rate band <sup>1</sup>	£325,000	11,000
Residence nil-rate band <sup>1</sup>	£100,000	100,000
Rate of tax on excess	40% <sup>2</sup>	40% <sup>2</sup>
Chargeable lifetime transfers	20%	20%
Annual gifts of up to £3,000 per donor are exempt.		

<sup>1</sup> Unused nil rate band is transferable to spouse or civil partner.

<sup>2</sup> 36% where 10% or more of the net estate is left to charity.



<b>Car Benefit</b>		
<b>CO2 emissions (2017/18)</b>	<b>% of list price</b>	
<b>grams per km</b>	<b>Petrol</b>	<b>Diesel</b>
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

<b>Tax-Free Mileage Allowances</b>	
<b>Employee's own vehicle</b>	<b>2017/18</b>
<u>Motorcars and vans</u>	
Up to 10,000 business miles	45p
Over 10,000 business miles	25p
Each passenger making same trip	5p
<u>Motorcycles</u>	24p
<u>Cycles</u>	20p
<b>Advisory fuel rates for company car from 1 March 2017</b>	
<b>Cylinder capacity</b>	<b>Petrol</b>
0 - 1,400cc	11p
1,401cc - 2,000cc	14p
Over 2,000cc	22p
<b>Cylinder capacity</b>	<b>Diesel</b>
0 - 1,600cc	9p
1,601cc - 2,000cc	11p
Over 2,000cc	13p

### Car Fuel Benefit

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

### Fixed Rate Deductions: Unincorporated Businesses

<b>Vehicle expenditure</b>	<b>Amount per mile</b>
<u>Motorcars and goods vehicles</u>	
Up to 10,000 business miles	45p
Over 10,000 business miles	25p
<u>Motorcycles</u>	24p
<b>Business use of home</b>	<b>Amount per month</b>
<b>Hours worked per month</b>	
25 or more	£10
51 or more	£18
101 or more	£26
<b>Private use of business premises</b>	<b>Disallowable amount per month</b>
<b>Number of occupants</b>	
1	£350
2	£500
3 or more	£650

### Capital Allowances

<b>Plant and Machinery</b> (reducing balance basis)	<b>Rate %</b>
Annual investment allowance (max £200,000)	100
<u>First-year allowances</u>	
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
<u>Writing-down allowances</u>	
General	18
Cars (other than low-emission cars)	8
Special rate expenditure (including integral features and thermal insulation)	8
Long-life assets	8

## 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	

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IMPORTANT INFORMATION: The information in this document is current as of March 2017 and is subject to change without notice. This document is solely for information purposes and nothing in this document is intended to constitute advice or a recommendation. You should not make any investment decisions based upon its content. Whilst considerable care has been taken to ensure that the information contained within this document is accurate and up-to-date, no warranty is given as to the accuracy or completeness of any information. The information in this report is based upon our understanding of the Spring Budget 2017 and information from HMRC website.

Sources: [www.gov.uk/government/publications/tax-and-tax-credit-rates-and-thresholds-for-2017-18](http://www.gov.uk/government/publications/tax-and-tax-credit-rates-and-thresholds-for-2017-18)  
[www.gov.uk/government/statistics/taxable-benefits-in-kind-and-expenses-payments-company-car-tax-rules-2005-to-2016](http://www.gov.uk/government/statistics/taxable-benefits-in-kind-and-expenses-payments-company-car-tax-rules-2005-to-2016)