

# R. S. BOTHAM & CO

Chartered Certified Accountants

*Suite 2 1a & 1b Atherstone Barns,  
Atherstone on Stour,  
Stratford-upon-Avon CV37 8NE*

*Telephone: (01789) 414482  
info@rsbotham.co.uk*

*www.rsbotham.co.uk*

Tax Rates 2021/22



## INCOME TAX

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

| 2021/22          |        | 2020/21          |        |
|------------------|--------|------------------|--------|
| Band £           | Rate % | Band £           | Rate % |
| 0 - 37,700       | 20     | 0 - 37,500       | 20     |
| 37,701 - 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 2021/22 and 2020/21

|                               |        |
|-------------------------------|--------|
| 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 2021/22 and 2020/21

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

## INCOME TAX RELIEFS

|                                 | 2021/22  | 2020/21  |
|---------------------------------|----------|----------|
| Personal allowance              | £12,570  | £12,500  |
| Personal allowance income limit | £100,000 | £100,000 |
| Marriage allowance              | £1,260   | £1,250   |
| Married couple's allowance      | £9,125   | £9,075   |
| - minimum amount                | £3,530   | £3,510   |
| - income limit                  | £30,400  | £30,200  |
| Blind person's allowance        | £2,520   | £2,500   |

## INDIVIDUAL SAVINGS ACCOUNTS

|                                 | 2021/22 | 2020/21 |
|---------------------------------|---------|---------|
| Overall investment limit        | £20,000 | £20,000 |
| Junior account investment limit | £9,000  | £9,000  |

## CAR, VAN AND FUEL BENEFITS

| 2021/22                        | 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                              | 1                          | 1                            |
| 1-50                           |                            |                              |
| Electric range - 130 or more   | 2                          | 1                            |
| 70 - 129                       | 5                          | 4                            |
| 40 - 69                        | 8                          | 7                            |
| 30 - 39                        | 12                         | 11                           |
| under 30                       | 14                         | 13                           |
| 51-54                          | 15                         | 14                           |
| For every extra 5              | +1                         | +1                           |
| 160 and above                  | 37                         | n/a                          |
| 165 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.

|                  | 2021/22 |
|------------------|---------|
| Car fuel benefit | £24,600 |
| Van benefit      | £3,500  |
| Van fuel benefit | £669    |

## NATIONAL INSURANCE

### 2021/22 Class 1 (employed) rates

| Employee          |     | Employer          |      |
|-------------------|-----|-------------------|------|
| Earnings per week | %   | Earnings per week | %    |
| Up to £184        | Nil | Up to £170        | Nil  |
| £184.01 - £967    | 12  | Over £170         | 13.8 |
| Over £967         | 2   |                   |      |

Entitlement to contribution-based benefits for employees retained for earnings between £120 and £184 per week. The employer rate is 0% for employees under 21 and apprentices under 25 on earnings up to £967 per week.

|                                |  |
|--------------------------------|--|
| <b>Class 1A (employers)</b>    | 13.8% on employee taxable benefits                                       |
| <b>Class 1B (employers)</b>    | 13.8% on PAYE Settlement Agreements                                      |
| <b>Class 2 (self-employed)</b> | flat rate per week £3.05<br>small profits threshold £6,515 per annum     |
| <b>Class 3 (voluntary)</b>     | flat rate per week £15.40  |
| <b>Class 4 (self-employed)</b> | 9% on profits between £9,568 and £50,270 plus 2% on profits over £50,270 |

## STAMP DUTY LAND TAX

### Land and buildings in England and N. Ireland

Residential rates may be increased by 3% where further residential properties are acquired.

| Residential Band £  | Rate % | Non-residential Band £ | Rate % |
|---------------------|--------|------------------------|--------|
| 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     |                        |        |

\*£250,000 from 1 July 2021. From 1 October 2021, 0% up to £125,000, 2% from £125,001 - £250,000 and 5% from £250,001 - £925,000.

## CAPITAL GAINS TAX

| Individuals            | 2021/22 | 2020/21 |
|------------------------|---------|---------|
| Exemption              | £12,300 | £12,300 |
| Standard rate          | 10%     | 10%     |
| Higher/additional rate | 20%     | 20%     |
| Trusts                 |         |         |
| Exemption              | £6,150  | £6,150  |
| Rate                   | 20%     | 20%     |

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

### Business Asset Disposal Relief

The first £1m of qualifying gains are charged at 10%.

## INHERITANCE TAX

| Death rate | Lifetime rate | Chargeable transfers<br>2021/22 and 2020/21 |
|------------|---------------|---|
| Nil        | Nil           | 0 - £325,000 (nil rate band)                |
| 40%        | 20%           | Over £325,000                               |

A further nil rate band of £175,000 may be available in relation to current or former residences.

## CORPORATION TAX

|                 | Rate % |                 | Rate % |
|-----------------|--------|-----------------|--------|
| Year to 31.3.22 | 19     | Year to 31.3.21 | 19     |

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

## CAPITAL ALLOWANCES

**Corporation tax super-deduction** on certain plant and machinery **130%**

**First Year Allowance (FYA)** on certain plant, machinery and cars of 0g/km **100%**

**Corporation tax FYA** on long-life assets, integral features of buildings, etc. **50%**

**Annual Investment Allowance (AIA) £1,000,000 (£200,000 from 1 January 2022)**

Excludes cars

### Writing Down Allowance

Long-life assets, integral features of buildings, cars over 50g/km **6%**

Other plant and machinery **18%**

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

## PENSIONS

|                                 | 2021/22    | 2020/21    |
|---------------------------------|------------|------------|
| Lifetime Allowance limit        | £1,073,100 | £1,073,100 |
| Annual Allowance limit          | £40,000    | £40,000    |
| Money Purchase Annual Allowance | £4,000     | £4,000     |

## VALUE ADDED TAX

|                             | From 1.4.21 | From 1.4.20 |
|-----------------------------|-------------|-------------|
| Standard rate               | 20%         | 20%         |
| Reduced rate                | 5%*         | 5%          |
| Annual Registration Limit   | £85,000     | £85,000     |
| Annual Deregistration Limit | £83,000     | £83,000     |

*\*12.5% for hospitality and tourism from 1 October 2021 - 31 March 2022.*

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.

## SELECTED RATES

|                                     | 2021/22                                       | 2020/21  |
|-------------------------------------|---|----------|
| <b>Weekly benefit</b>               | <b>£</b>                                      | <b>£</b> |
| <b>Basic State Pension</b>          | 137.60  | 134.25   |
| <b>New State Pension</b>            | 179.60  | 175.20   |
| <b>Statutory pay standard rates</b> |   |          |
|                                     | - average weekly earnings £120 (£120) or over |          |
| Sick Pay                            | 96.35   | 95.85    |
| Maternity/Adoption Pay              | 151.97  | 151.20   |
| Shared Parental Pay                 | 151.97  | 151.20   |
| Paternity Pay                       | 151.97  | 151.20   |

## National Living Wage and National Minimum Wage

| Age               | NLW   | 21-22 | 18-20 | 16-17 | Apprentices |
|-------------------|-------|-------|-------|-------|-------------|
| From 1 April 2021 | £8.91 | £8.36 | £6.56 | £4.62 | £4.30       |

*Applies to apprentices under 19, or 19 and over in the first year of apprenticeship.*

*NLW applies to those aged 23 and over.*

## TAX RELIEFS FOR INDIVIDUALS

### 2021/22 and 2020/21

#### Enterprise Investment Scheme (EIS)

Relief on investments in certain unquoted trading companies up to £1m per annum (£2m for knowledge intensive companies):

- Income tax relief at 30%
- Capital gains exemption on disposal

Unlimited amounts of capital gains from the disposal of other assets may be able to be deferred by making an EIS investment.

#### Seed Enterprise Investment Scheme (SEIS)

Relief on investments in certain unquoted trading companies up to £100,000 per annum:

- Income tax relief at 50%
- Capital gains exemption on disposal

Capital gains from the disposal of other assets may be exempt up to £50,000 per annum by making an SEIS investment.

#### Venture Capital Trusts (VCTs)

Relief on investments in certain quoted companies up to £200,000 per annum:

- Income tax relief at 30%
- Capital gains exemption on disposal

Dividends received from VCTs may be exempt from income tax.

All reliefs subject to detailed conditions being met.