

<b>CORPORATION TAX</b>	<b>to 31.3.11</b>	<b>to 31.3.10</b>
Small companies rate (£0-£300,000)	<b>21%*</b>	21%
£300,001-£1,500,000	<b>Marginal relief</b>	Marginal relief
Full rate (£1,500,001+)	<b>28%</b>	28%

\* The planned small companies' rate increase to 22% is deferred until 2011-12.

## MAIN CAPITAL ALLOWANCES

<b>Plant and Machinery</b>	<b>2010-2011</b>	<b>2009-2010</b>
Writing down allowance	<b>20% pa</b>	20% pa
Long life assets / integral features / thermal insulation	<b>10% pa</b>	10% pa
100% Annual Investment Allowance (AIA) on expenditure up to	<b>£100,000</b>	£50,000
First year allowance for expenditure in excess of AIA cap (not long life assets / integral features / thermal insulation)	<b>n/a</b>	40%

## Motor Cars

For cars purchased after 6 April 2009 the annual allowances are dependent on the CO<sub>2</sub> emissions of the car:

- for cars with CO<sub>2</sub> emissions up to 110 g/km a 100% allowance is available
- for cars with CO<sub>2</sub> emissions between 110 and 160 g/km the annual allowance is 20%
- for cars with CO<sub>2</sub> emissions over 160 g/km the annual allowance is 10%, calculated in a special pool.

<b>Industrial and Agricultural Buildings*</b>	<b>2010-2011</b>	<b>2009-2010</b>
Writing down allowance (straight line)	<b>1% pa</b>	2% pa

\* The allowance is no longer available for 2011-12 onwards.

## VALUE ADDED TAX

<b>Standard Rate</b>		17.5%*
<b>Registration level</b>	<b>from 1.4.10 £70,000</b>	to 31.3.10 £68,000
<b>De-registration limit</b>	<b>from 1.4.10 £68,000</b>	to 31.3.10 £66,000

\* From 1 January 2010.

## STAMP DUTY LAND TAX

	<b>from 25.3.10</b>	<b>from 1.1.10</b>
On documents transferring residential property	<b>Nil</b>	Nil
Value under £125,000	<b>1%*</b>	1%
£125,001 - £250,000	<b>3%</b>	3%
£250,001 - £500,000	<b>4%</b>	4%
£500,001+		

\* For first time buyers the rate is nil.

From 6 April 2011, the rate is 5% for properties over £1,000,000.

## Important dates

### SELF-ASSESSMENT

#### 31 July 2010

Second interim payment of income tax due for 2009-10, where required.  
Second 5% surcharge on unpaid 2008-09 tax.

#### 31 October 2010

Deadline for submission of 2009-10 paper tax returns.

#### 31 January 2011

Deadline for submission of 2009-10 tax returns where submitted on-line.  
Taxpayer sends balancing payment required of 2009-10 liability to income tax and capital gains tax.  
First interim payment of income tax due for 2010-11, where required.

#### 28 February 2011

5% surcharge on unpaid 2009-10 tax.

#### 31 July 2011

Second interim payment of income tax due for 2010-11, where required.  
Second 5% surcharge on unpaid 2009-10 tax.

#### 31 October 2011

Deadline for submission of 2010-11 paper tax returns.

#### 31 January 2012

Deadline for submission of 2010-11 tax returns where submitted on-line.

### INHERITANCE TAX PAYMENTS

- **On death:** 6 months after end of month of death.
- **Lifetime transfer 6 April – 30 Sept:** 30 April in following year.
- **Lifetime transfer 1 Oct – 5 April:** 6 months after end of month of transfer.

### CORPORATION TAX PAYMENTS

- **Small companies:** tax due 9 months and 1 day after end of accounting period.
- **Large companies:** tax due in quarterly instalments from 6 months and 13 days after start of accounting period.

## Tax advisory service

Our tax, trust and estate planning specialists offer a range of services to Coutts clients, from preparing clients' tax returns and tax-efficient wills, to more in-depth advice such as complex tax and estate planning including settling trusts.

To find out more about these services, please ask your private banker.

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## 2010-2011 Tax Rates & Allowances

Compiled by Coutts Private Client Tax Team

### HIGHLIGHTS

**Inheritance Tax** - Nil Rate Band threshold frozen at £325,000 until 2014-15.

**Entrepreneurs' Relief** - Lifetime limit doubled to £2m, effective for disposals on or after 6 April 2010.

**Stamp Duty** - 5% charge on purchases of residential property in excess of £1m on or after 6 April 2011.

**ISAs** - Annual subscription limit to increase in line with inflation from 6 April 2011.

**CGT** - Capital gains tax rate remains at 18%.



INCOMETAX RATES	2010-2011	2009-2010
10% starting rate for savings*	<b>£2,440</b>	£2,440
20% on first/next	<b>£37,400</b>	£37,400
40% on income over	<b>£37,400</b>	£37,400
50% on income over	<b>£150,000</b>	n/a
Dividends for basic rate taxpayers	<b>10%</b>	10%
Dividends for income between £37,400 and £150,000	<b>32.5%</b>	32.5%
Dividends for income over £150,000	<b>42.5%</b>	32.5%
Trusts within relevant property regime**	<b>50%</b>	40%
Dividends for trusts within relevant property regime	<b>42.5%</b>	32.5%

\* Restricted to savings income and not available if non-savings income exceeds starting rate limit.

\*\*A standard rate band of £1,000 applies, below this level income will be taxed at no more than 20%.

MAIN INCOME TAX RELIEFS	2010-2011	2009-2010
Personal allowance (for income up to £100,000)*	<b>£6,475</b>	£6,475
Personal allowance (age 65-74)	<b>£9,490</b>	£9,490
Personal allowance (age 75 and over)	<b>£9,640</b>	£9,640
Married couple's allowance (age 75 and over)**	<b>£6,965</b>	£6,965
Income limit for age-related allowances	<b>£22,900</b>	£22,900
Blind person's allowance	<b>£1,890</b>	£1,890
Enterprise Investment Scheme at 20%***	<b>£500,000</b>	£500,000
Venture Capital Trust at 30%	<b>£200,000</b>	£200,000
Rent-a-room tax-free income	<b>£4,250</b>	£4,250

\* From 2010-2011 the allowance reduces by £1 for every £2 of income above the limit, irrespective of age.

\*\* Relief is restricted to 10%, subject to conditions.

\*\*\* Capital gains tax deferral relief also available.

CAPITAL GAINS TAX	2010-2011	2009-2010
Individuals/Trusts	<b>18%</b>	18%
Entrepreneurs' Relief effective rate	<b>10%</b>	10%
<b>Annual Exemptions</b>		
Individuals and personal representatives	<b>£10,100</b>	£10,100
Trusts generally	<b>£5,050</b>	£5,050
Chattels exemption (5/3 taxable on excess)	<b>£6,000</b>	£6,000
Entrepreneurs' Relief lifetime limit of gains	<b>£2,000,000</b>	£1,000,000

INDIVIDUAL SAVINGS ACCOUNT (ISA)	2010-2011	2009-2010
Maximum subscription*	<b>£10,200</b>	£7,200
of which maximum investments are:		
Stocks and shares account	<b>£10,200</b>	£7,200
Cash account	<b>£5,100</b>	£3,600

\* For individuals aged over 50 the 2010-11 increased subscription applied from 6 October 2009.

## INHERITANCE TAX

Personal Relief	2010-2011	2009-2010
Free of tax up to*	<b>£325,000</b>	£325,000
Tax on excess	<b>40%</b>	40%
Transfers to certain trusts	<b>20%</b>	20%
Overseas domiciled spouse exemption	<b>£55,000</b>	£55,000
Annual gifts exemption	<b>£3,000</b>	£3,000
Gifts to charities	<b>Exempt</b>	Exempt
Small gifts to same person	<b>£250</b>	£250
Marriage/civil partnership gifts by:		
Parent	<b>£5,000</b>	£5,000
Grandparent/party to marriage/civil partnership	<b>£2,500</b>	£2,500
Other person	<b>£1,000</b>	£1,000

\* From 9.10.07 a claim may be made for deceased spouse/civil partner's unused nil rate band.

## Business Property Relief

A business or interest in a business (including a partnership share)	<b>100%</b>	100%
Transfers of unquoted shareholdings (including AIM shares)	<b>100%</b>	100%
Transfers out of a controlling shareholding in quoted companies, land or buildings, machinery or plant used in qualifying company or partnership.	<b>50%</b>	50%

## Reduced tax charge on gifts made within the seven years before death

Years before death	0-3	3-4	4-5	5-6	6-7
% of inheritance tax payable	100%	80%	60%	40%	20%

## CAR/FUEL BENEFIT

- Taxable benefit for cars is based on a maximum 35% of list price, reduced according to the car's level of CO<sub>2</sub> emissions.
- Minimum benefit is 10% of list price where CO<sub>2</sub> emissions do not exceed 120 g/km from 2008-09 (to be reduced to 99 g/km from 2012-13).
- Benefit is 15% of list price for cars with emissions of 135 g/km or less for 2009-10 (reduced to 130 g/km from 2010-11, and 125 g/km from 2011-12).
- Minimum will increase by 1% for each 5 g/km of extra CO<sub>2</sub> emissions.\*
- Diesel cars subject to an extra 3% charge.\*
- Where free fuel for private use is provided, tax charge on fuel is calculated according to scale rate charge as above, applied to a standard figure of £16,900 for 2009-10 (increased to £18,000 for 2010-11).
- Further discounts can apply to car and fuel benefit for energy efficient cars.

\* Subject to a maximum of 35% of list price.

Approved mileage allowance payments	2010-2011	2009-2010
Own cars and vans		
Up to 10,000 miles (per mile)	<b>40p</b>	40p
Over 10,000 miles (per mile)	<b>25p</b>	25p

## PERSONAL PENSIONS

### Annual Allowance\*

2009-10	2010-11	2011-12
<b>£245,000</b>	<b>£255,000</b>	<b>£255,000</b>

\* An individual can contribute the lower of the allowance or relevant income. An individual without relevant income can contribute up to £3,600.

From 22 April 2009 restrictions may apply for individuals with income of £130,000 or more.

### Lifetime Allowance

2009-10	2010-11	2011-12
<b>£1.75m</b>	<b>£1.8m</b>	<b>£1.8m</b>

## BASIC STATE PENSION

	2010-2011	2009-2010
Single person per year	<b>£5,077.80</b>	£4,953.00
Dependant's addition per year	<b>£3,042.00</b>	£2,966.60
Married couple total per year	<b>£8,119.80</b>	£7,919.60

## NATIONAL INSURANCE CONTRIBUTIONS

	2010-2011 Earnings pw	2009-2010 Earnings pw
<b>Employees Class I NIC</b>		
Earnings at or above lower limit		
<b>Standard rate</b>	<b>0% up to £110</b>	0% up to £110
Contracted in	<b>11% on £110.01-£844</b>	11% on £110.01-£844
Contracted out	<b>9.4% on £110.01-£770</b>	9.4% on £110.01-£770
Contracted out	<b>11% on £770.01-£844</b>	11% on £770.01-£844
Contracted in and out	<b>1% over £844</b>	1% over £844
<b>Employers Class I NIC</b>		
Contracted in		
Below £110	<b>Nil</b>	Nil
Over £110	<b>12.8%</b>	12.8%
Contracted out*		
Below £110	<b>SR Nil MP Nil</b>	SR Nil MP Nil
£110.01 - £770	<b>9.1% 11.4%</b>	9.1% 11.4%
Over £770	<b>12.8% 12.8%</b>	12.8% 12.8%
<b>Class 2 - Self-employed rate</b>	<b>£2.40 pw</b>	£2.40 pw
Small earnings exception	<b>£5,075 pa</b>	£5,075 pa
<b>Class 3 - Voluntary rate</b>	<b>£12.05 pw</b>	£12.05 pw
<b>Class 4 - Self-employed rate</b>	<b>8%</b>	8%
Lower limit of earnings	<b>£5,715 pa</b>	£5,715 pa
Upper limit of earnings	<b>£43,875 pa</b>	£43,875 pa
1% on earnings over	<b>£43,875 pa</b>	£43,875 pa

\* SR = Salary related scheme MP = Money purchase scheme