



SIMMONDS ELLIS

CHARTERED CERTIFIED ACCOUNTANTS

Principal Office
1st Floor, 18 High Street, Pershore WR10 1BG

Tel: 01386 555954

Website: www.simmonds-ellis.com

CAPITAL ALLOWANCES

Asset Category	Allowances on	
	Cost	Reducing Balance
Plant and machinery		25%
Long life plant (25 years or more)		6%
"Expensive" cars (maximum £3000p.a.)		25%
Industrial and agricultural buildings, hotels, dredging	4%	
Scientific research	100%	
Renovation of vacant business properties in disadvantaged areas	100%	
Creating "flats over shops" for letting	100%	
"Energy saving" plant and machinery	100%	
Low emission cars	100%	
First Year allowances for:		
Small and medium companies	40%	
Revenue R & D expenditure by small or medium companies - 150% deduction. Tax credit of 16% of any losses.		
Expenditure by large companies - 125% deduction		

PERSONAL PENSION SCHEMES

Age at 6 April	Maximum Contribution as % of relevant earnings	
	PPS	RAP
Under 36	17.5	17.5
36-45	20.0	17.5
46-50	25.0	17.5
51-55	30.0	20.0
56.-60	35.0	22.5
61 or over	40.0	27.5
OPS and PPS cap £105,600 for 2005/2006		

INHERITANCE TAX

Rates	
Up to £275,000	Nil
Excess over £275,000	
On chargeable lifetime transfers	20%
On death	40%

Transfers made within 7 years of death

The 40% death rate applies subject to tapering relief as follows:

Years between death and gift	Tapering relief %
0 - 3	0
3 - 4	20
4 - 5	40
5 - 6	60
6 - 7	80

Business/agricultural property relief at 100% (or 50%) may apply depending on the circumstances.

Exemptions

Annual	£3000
Small gifts - to any one person	£250
Gifts in consideration of marriage	
Parent	£5000
Bride, Groom, grandparent	£2500
Other	£1000
Gifts to charity	Exempt

This card is based on the March 2005 Budget and is subject to amendment



SIMMONDS ELLIS

CHARTERED CERTIFIED ACCOUNTANTS



Tax Tables 2005/2006

MAJOR POINTS OF THE BUDGET

16 March 2005

• No change to rates of Corporation Tax, Income Tax, Capital Gains Tax and VAT

• Additional help for Small Businesses

• Inheritance Tax 'Nil Rate Band' increased to £275,000 with further increases to £300,000 over the next 3 years

• Further anti-avoidance measures for Corporation Tax and VAT

• Stamp duty land tax changes

For further information on how this will affect you and your business, contact Simmonds Ellis & Co Telephone 01386 555954

INCOME TAX

Taxable Income

	Savings Income		Other
	Dividends	Other	Income
	%	%	%
On first £2090	10	10	10
£2090 to £32400	10	20	22
Over £32400	32.5	40	40

Trusts

Discretionary/accumulation and maintenance trusts	40%
Interest in possession trusts	40%

Main Personal Allowances in 2005/6

Personal		£4895
Age Allowances	65*-74	75+
- Personal	£7090	£7220
- Married couple's (restricted to 10% relief)	£5905	£5975
- Income Limit	£19500	£19500

*Married couple's allowance abolished in April 2000

However, couples where at least one spouse was born before 6 April 1935 can still get the allowance.

Capital Gains Tax

Annual Exemption - Individuals/trustees	£8500 / £4250
CGT Rate	10%, 20% or 40%

Business asset taper for disposals after 5 April 2002

No of Years	% of gain chargeable
0	100
1	50
2+	25

BENEFITS IN KIND

Use of Company Car

Scale rate based on carbon dioxide emissions and list price:

- 15% on list price of cars emitting 140g/km
- Increased by 1% per 5g/km over the 140 g/km limit
- Capped at 35% of list price
- 3% supplement on diesel cars (subject to 35% cap) not meeting Euro IV standard

Car fuel scale charges

Percentage dependent upon carbon dioxide emissions multiplied by £14400

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 (Employment)

Primary earnings threshold per week	- employee	£94
Secondary earnings threshold per week	- employer	£94

		Standard
Employee	- £94.01 - £630 per week	11%
	- excess over £630 per week	1%
Employer	- excess over £94 per week	12.8%

Class 4

£4895 - £32760 p.a.	8%
Excess over £32760 p.a.	1%

Employers NICs are due on most taxable benefits-in-kind

CORPORATION TAX

	2005/6
Profits under £10000	0%
Profits between £50,001 and £300,000	19%
Profits over £1,500,000	30%

The marginal relief fraction of 19/400 applies to taxable profits between £10,000 and £50,000 and 11/400 to taxable profits between £300,000 and £1,500,000.

Profits distributed to non-corporates - minimum 19%

STAMP DUTY LAND TAX

Rate	Residential Properties in non-disadvantaged areas	Non-Residential properties and other residential properties
	£	£
0%	0 - 120,000	0 - 150,000
1%	120,001 - 250,000	150,001 - 250,000
3%	250,001 - 500,000	250,001 - 500,000
4%	over 500,000	over 500,000

VALUE ADDED TAX

Standard Rate	17.5%
Registration Level	£60,000 p.a.
Deregistration Level	£58,000 p.a.

Effective from 1 April 2005