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LLEWELYN DAVIES  
CHARTERED ACCOUNTANTS

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TAX RATE TABLES



**2013-2014**

[www.llewelyndavies.co.uk](http://www.llewelyndavies.co.uk)

## Income Tax

Band	Dividends	Interest	Other
The first: £2,790	10%	10%	*
£0-£32,010	10%	20%	20%
£32,010 - £ 150,000	32.5%	40%	40%
Above £ 150,000	37.5%	45%	45%

\* The 10% starting rate for savings income only. If non-savings income is above £2,790 the 10% band does not apply.

There are special rules for trusts.

### Main personal allowances:

Personal (a)	£9,440
Age Allowance	
Born between 6 April 1938 & 5 April 1948	
Personal	£10,500
Married couple's	N.A.
Born before 6 April 1938	
Personal	£10,660
Married couple's (b) (c)	£7,915
Income limit for age allowances (d)	£26,100
Blind person's	£2,160

- Personal allowance is reduced for income in excess of £ 100,000 tapering down to zero.
- Relief given at 10% only.
- Claimed by husband, but on election, the allowance may be claimed by wife or shared equally. Transferable on election if insufficient income. Only available if born before 6 April 1935.
- Relief is abated by  $\frac{1}{2}$  total income over income limit. Married couple's age allowance will not reduce below £3,040.

### National Insurance Contributions

#### Class 1 (employers and employees):

- Lower Earnings Limit rises to £ 109 per week.
- New Earnings Threshold for employees is £ 149.00 per week, for employers is £ 148.00 ( N.I. to be paid on all earnings over this amount.
- Upper Earnings limit is £ 797.00 per week ( 2% N.I. deducted for any employees earnings over this amount ).
- Employers contributions are 12% on all earnings between £ 149.00 and £ 797.00 per week ( Not contracted out rate ), over £ 797.00 gross per week NIC is 2% on excess.
- Employers contributions are 13.8% on all earnings over £ 148.00 per week..

**Class 1A (employers only):** 13.8% based on the amounts of taxable benefits.

**Class 1B (employers only):** 13.8% in respect of amounts in a PAYE settlement agreement.

**Class 2 (flat rate for self employed):** £2.70 per week. Small earnings exemption £5,725 a year.

**Class 3 (voluntary):** £13.55 a week.

**Class 4 (self employed):** 9% on profits between £7,755 and £41,450 per annum. 2% on profits above £41,450 a year.

## Capital Gains Tax

**Annual exemption** - individuals: £10,900  
 - trusts: £5,450

### Rates:

- 18% and 28% tax rates for individuals, which depends on the total amount of taxable income.
- 28% for trustees or for personal representatives of someone who has died.
- 10% for gains qualifying for Entrepreneurs' Relief.

## Inheritance Tax

Aggregate chargeable value: up to £325,000; - nil%; - over £325,000 – 40%.

From 6 April 2012 a lower rate inheritance tax of 36% will apply where 10% or more of the deceased persons net estate is left to charity.

Reduced charge on lifetime gifts within seven years of death:

Years between gift and death	0-3	3-4	4-5	5-6	6-7
Percentage of death rates	100%	80%	60%	40%	20%

## Value Added Tax

**Standard rate:** 20%  
**Lower rate: (a)** 5%  
**Zero rate:** 0%

(a) On supplies of domestic, residential and charitable non-business fuel and power, and certain installations of energy saving material.

**Registration threshold :** taxable supplies at the end of any month exceed £79,000 in the past 12 months or is likely at any time to exceed £79,000 in the next 30 days.

Optional flat rate scheme for turnovers under £150,000 excluding VAT.

## Stamp Taxes

Transfers of land and buildings (consideration paid)

Rate	Residential	Non-residential
0%	£0 -£125,000 a)	£0-£150,000 b)
1%		£0-£150,000 c)
1%	Over £125,000* to £250,000	Over £150,000 to £250,000
3%	Over £250,000 to £500,000	Over £250,000 to £500,000
4%	Over £500,000	Over £500,000 to £1 M
5%	Over £ 1 M to £2 M	N/A
7%	Over £2 M d)	N/A

a) £150,000 for property in disadvantaged areas  
 b) If annual rent is under £1,000  
 c) If annual rent is £1,000 or greater  
 d) A 15% rate will apply to properties over £ 2M purchased by certain 'non natural persons'

The rate of stamp duty/stamp duty reserve tax on the transfer of shares and securities is unchanged at 0.5% for 2013/2014.

## Corporation Tax (year to 31 March 2014)

Small companies' rate	£0-£300,000	20%
Marginal relief	£300,001-£1,500,000	23.75%
Main rate	over £1,500,000	23%

*This material provides only an overview of the subject and no action should be taken without seeking professional advice. No responsibility can be accepted for any loss occasioned by any person acting or refraining from action as a result of this material. Please therefore contact our Offices to determine the appropriate tax strategy for your particular circumstances. Initial consultation is at no charge or obligation.*

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