

Tax Rates & Allowances 2009-10

INCOME TAX RATES	2009-10	2008-09
20% on first	£34,800	£37,400
40% on Income over	£34,800	£37,400
Dividends for basic rate taxpayers	10%	10%
Dividends for higher rate taxpayers	32.5%	32.5%
Savings Income for basic rate taxpayers*	20%	20%
Savings Income for Higher rate taxpayers	40%	40%
Trusts within relevant property regime	40%	40%
Dividends for trusts within relevant property regime	32.5%	32.5%

*There will be a 10% starting rate for savings income only, with a limit of £2,440. If an individual's taxable non-savings income is above this then the 10% savings rate will not be applicable.

MAIN INCOME TAX RELIEFS	2009-10	2008-09
Personal allowance (basic)	£6,475	£6,035
Personal allowance (age 65-74)	£9,490	£9,030
Personal allowance (age 75 and over)	£9,640	£9,180
Married couple's allowance (where born before 6.4.35)	N/A	£6,535
Married couple's allowance (Age 75 and over)	£6,965	£6,625
Income limit for age-related allowances	£22,900	£21,800
Blind person's allowance	£1,890	£1,800
Enterprise Investment Scheme at 20%	£500,000	£500,000
Venture Capital Trust at 30%	£200,000	£200,000
Rent-a-room relief allowance	£4,250	£4,250

CORPORATION TAX	to 31.3.10	to 31.3.09
Small companies rate (£0-£300,000)	21%	21%
Marginal relief on £300,000-£1,500,000	29.75%	29.75%
Full rate (£1,500,001 +)	28%	28%

CAPITAL GAINS TAX	2009-10	2008-09
Individuals*	18%	18%
Trusts generally	18%	18%
Companies	Corp tax rate	Corp tax rate
Annual Exemptions		
Individuals and personal representatives	£10,100	£9,600
Trusts generally	£5,050	£4,800
Chattels exemption (5/3 taxable on excess)	£6,000	£6,000

*Entrepreneurs' gains charged at 10% for the first £1 million, with the balance charged at 18%

INHERITANCE TAX	2009-10	2008-09
Free of tax up to	£325,000	£312,000
Tax on excess value for potentially exempt or chargeable transfers on or within 7 years of death	40%	40%
Tax on excess value for other chargeable lifetime transfers	20%	20%
Overseas domiciled spouse exemption	£55,000	£55,000
Annual gifts exemption	£3,000	£3,000
Gifts to charities	Exempt	Exempt
Gifts between UK domiciled spouses	Exempt	Exempt
Small gifts to same person	£250	£250
Marriage gifts by		
Parent	£5,000	£5,000
Remoter ancestor / Party to marriage	£2,500	£2,500
Other person	£1,000	£1,000

Reduced tax charge on gifts within seven years of death

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

BASIC STATE PENSION	2009-10	2008-09
Single person per year	£4,953	£4,717
Dependant's addition per year	£2,967	£2,827
Married couple total per year	£7,920	£7,544

STAMP DUTY LAND TAX

On documents transferring residential property	
Value under £175,000	Nil
£175,001 - £250,000	1%
£250,001 - £500,000	3%
£500,001 +	4%

This threshold increased from £125,000 to £175,000 on 3 September 2008 and is due to reduce to £125,000 on 1 January 2010.

Tax advice is not regulated by the Financial Services Authority.