

## VAT

FROM 1 APRIL	2021	2020
Standard rate*	20%	20%
VAT fraction	1/6	1/6
Reduced rate	5%	5%
VAT fraction	1/21	1/21
Zero-rate	0%	0%
VAT fraction	N/A	N/A

\* Temporary reduced rate for hospitality and tourism – 5% until 30<sup>th</sup> September 2021, interim rate of 12.5% from 1 October 2021 to 31 March 2022 and returning to 20% from 1 April 2022.

## TAXABLE TURNOVER LIMITS

FROM 1 APRIL	2021	2020
Registration (last 12 months or next 30 days) over	£85,000	£85,000
Deregistration (next year) under	£83,000	£83,000
Annual and cash accounting schemes turnover limit	£1.35m	£1.35m
Flat-rate scheme turnover limit	£150,000	£150,000

## RESEARCH AND DEVELOPMENT (R&D) COSTS

Revenue expenditure – SMEs	230%
SME company R&D payable credit	14.5%
Large company R&D taxable expenditure credit	11%
Capital expenditure – all companies	100%

## TAX EFFICIENT INVESTMENTS

ANNUAL INVESTMENT LIMIT	2021/22	2020/21
ISA	£20,000	£20,000
Lifetime ISA*	£4,000	£4,000
Help-to-buy ISA (existing savers only)	Up to £200 a month	
Junior ISA and child trust fund	£9,000	£9,000
Venture capital trust at 30%	£200,000	£200,000
Enterprise investment scheme at 30%**	£1m	£1m
SEED EIS (SEIS) at 50%	£100,000	£100,000
SEIS capital gains tax investment relief	50%	50%
Social investment tax relief at 30%	£1m	£1m

\* Reduces ISA limit by amount invested in Lifetime ISA.

\*\* Up to £2m in a knowledge-intensive company.

## REGISTERED PENSIONS

	2021/22	2020/21
Lifetime allowance limit	£1,073,100	£1,073,100
Money purchase annual allowance	£4,000	£4,000
Annual allowance limit*	£40,000	£40,000
Minimum age for accessing benefits	55	55
Maximum tax-free pension lump sum	25% of pension fund value	

\* Tapered at a rate of 50% of income down to £4,000 if threshold income over £200,000 and adjusted income over £240,000. Restrictions can apply based on net-relevant earnings.

Subject to certain conditions, the unused amount of the annual allowance can be carried forward up to 3 years and used once the current year annual allowance has been fully utilised.

## NATIONAL INSURANCE

### CLASS 1

WEEKLY EARNINGS	EMPLOYEE RATE	WEEKLY EARNINGS	EMPLOYER RATE
Up to £184	Nil*	Up to £170	Nil
£184 - £967	12%	Over £170	13.8%**
Over £967	2%	Over state pension age	13.8%
Over state pension age	0%		

\* Entitlement to contribution-based benefits are retained for earnings between £120 and £184 a week

\*\* 0% for staff under 21 and apprentices under 25 on earnings up to £967 a week.

### CLASS 1A

On relevant benefits, including car and fuel benefits	13.8%
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### CLASS 2

	2021/22	2020/21
Small profits threshold	£6,515	£6,475
Above small profits threshold	£3.05 a week	£3.05 a week

### CLASS 3

Voluntary	£15.40 a week
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### CLASS 4\*

Lower profits limit (£9,568 - £50,270)	9%
Upper profits limit (Over £50,270)	2%

\* Exemption applies if the state retirement age is reached by 6 April 2020.

## EMPLOYMENT ALLOWANCE

	2021/22	2020/21
Per employer per year*	£4,000	£4,000

\* One claim for companies in a group or under common control. Not available where the director is the only employee paid earnings above the secondary threshold for class 1 NICs. This is limited to employers with an employer NICs bill below £100,000 in the previous tax year.

## APPRENTICESHIP LEVY

A levy of 0.5% applies where the payroll exceeds £3m, net of £15,000 annual allowance.

## PROPERTY TAXES

Stamp duty is payable at a rate of 0.5% on certain transfers of shares and securities of £1,000 and over.

The incremental rate tax is only payable on the part of the property price within each land tax band. An additional 3% rate (4% in Scotland) applies to the purchase of an additional residential property above £40,000 and all corporate residential properties.

ENGLAND AND NORTHERN IRELAND: STAMP DUTY LAND TAX (SDLT)			
On the transfer of residential property*		On the transfer of non-residential property	
£0 - £125,000**	0%	£0 - £150,000	0%
£125,001 - £250,000	2%	£150,001 - £250,000	2%
£250,001 - £925,000	5%	Above £250,000	5%
£925,001 - £1.5m	10%		
Above £1.5m	12%		
SCOTLAND: LAND AND BUILDINGS TRANSACTION TAX (LBTT)			
£0 - £145,000	0%	£0 - £150,000	0%
£145,001 - £250,000	2%	£150,001 - £250,000	1%
£250,001 - £325,000	5%	Above £250,000	5%
£325,001 - £750,000	10%		
Above £750,000	12%		
WALES: LAND TRANSACTION TAX (LTT)			
£0 - £180,000**	0%	£0 - £150,000	0%
£180,001 - £250,000	3.5%	£150,001 - £250,000	1%
£250,001 - £400,000	5%	Above £1m	6%
£400,001 - £750,000	7.5%		
£750,001 - £1.5m	10%		
Above £1.5m	12%		

\* First-time buyers pay nothing on the first £300,000 for properties up to £500,000. A rate of 5% applies between £300,000 and £500,000. For residential purchases by 'non-natural' persons over £500,000 a rate of 15% applies, subject to certain exclusions.

\*\* The nil rate of SDLT is extended to £500,000 until 30 June 2021, falling to £250,000 until 30 September 2021.

\*\* The nil rate of LTT is extended to £250,000 until 30 June 2021 (Subject to certain conditions).



**NOVUS**  
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**TAX CARD**  
**2021/22**

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## IMPORTANT NOTICE

These rates and allowances are based on the Spring Budget 2021 announcements made by the UK and Northern Ireland, Scottish and Welsh Governments and are for information only.

The above must not be considered advice and no warranty is given for the accuracy or completeness of the details. Professional advice should be sought before making any decisions.

Please contact us if you wish to discuss your tax planning.

## INCOME TAX

### TAXABLE INCOME BANDS AND TAX RATES

		2021/22	2020/21
<b>ENGLAND &amp; WALES TAX BANDS &amp; RATES</b>			
Starting rate of 0% on savings up to		£5,000*	£5,000*
Basic Rate**	Band	£12,571 - £37,700	£12,501 - £37,500
	Tax %	20%	20%
Higher Rate	Band	£37,701 - £150,000	£37,501 - £150,000
	Tax %	40%	40%
Additional Rate	Band	Over £150,000	Over £150,000
	Tax %	45%	45%
<b>SCOTTISH TAX BANDS &amp; RATES</b>			
Starter Rate**	Band	£12,571 - £14,667	£12,501 - £14,585
	Tax %	19%	19%
Basic Rate	Band	£14,668 - £25,296	£14,586 - £25,158
	Tax %	20%	20%
Intermediate Rate	Band	£25,297 - £43,662	£25,159 - £43,430
	Tax %	21%	21%
Higher Rate	Band	£43,663 - £150,000	£43,431 - £150,000
	Tax %	41%	41%
Top Rate	Band	Over £150,000	Over £150,000
	Tax %	46%	46%
<b>DIVIDENDS TAX RATES</b>			
Basic Rate		7.5%	7.5%
Higher rate		32.5%	32.5%
Additional Rate		38.1%	38.1%
<b>HIGH INCOME CHILD BENEFIT CHARGE***</b>			
Threshold		£50,000	£50,000

\*The starting rate does not apply if taxable non-saving income exceeds the starting rate limit.

\*\*Assumes individuals are in receipt of the Standard UK Personal Allowance.

\*\*\*A tax charge of 1% of the child benefit received for each £100 that the threshold is exceeded up to a maximum of 100%.

### ALLOWANCES THAT REDUCE TAXABLE INCOME OR ARE NOT TAXABLE

		2021/22	2020/21
Personal Allowance*		£12,570	£12,500
Personal Savings Allowance	Basic Rate	£1,000	£1,000
	Higher Rate	£500	£500
Dividend Allowance		£2,000	£2,000
Marriage Allowance		£1,260	£1,250
Trading Allowance**		£1,000	£1,000
Property Allowance**		£1,000	£1,000
Rent a Room Allowance		£7,500	£7,500
Blind Persons Allowance		£2,520	£2,500

\*The personal allowance is reduced by £1 for every £2 of income from £100,000 to (£125,140 2021/22).

\*\*Landlords and Traders with a gross income from this source in excess of £1,000 can deduct the allowance as an alternative to claiming expenses.

## VEHICLE AND FUEL BENEFITS IN KIND (BIK)

The taxable benefit in kind is calculated as a percentage of the car's UK list price. The percentage depends on the car's CO<sub>2</sub> emissions in grams per kilometre (g/km).

Vehicle CO <sub>2</sub> Emissions	Electric Range (Miles)	Cars registered from 6 <sup>th</sup> April 2020*		Cars registered before 6 <sup>th</sup> April 2020*	
		21/22	20/21	21/22	20/21
0	N/A	1	0	1	0
1-50	130+	1	0	2	2
	70-129	4	3	5	5
	40-69	7	6	8	8
	30-39	11	10	12	12
	<30	13	12	14	14
51-54		14	13	15	15
55-59		15	14	16	16
60-64		16	15	17	17
65-69		17	16	18	18
70-74		18	17	19	19
75		19	18	20	20
76-79		20	19	20	20
80-84		21	20	21	21
85-89		22	21	22	22
90-94		23	22	23	23
95-99		24	23	24	24
100-104		25	24	25	25
105-109		26	25	26	26
110-114		27	26	27	27
115-119		28	27	28	28
120-124		29	28	29	29
125-129		30	29	30	30
130-134		31	30	31	31
135-139		32	31	32	32
140-144		33	32	33	33
145-149		34	33	34	34
150-154		35	34	35	35
155-159		36	35	36	36
160-164			36		
165+		37	37	37	37

\*Add 4% for diesels up to a maximum of 37% (unless RDE2 compliant). Diesel plug-in hybrids are classed as alternative fuel vehicles, so the 4% diesel supplement does not apply to these vehicles irrespective of RDE2 compliance. All BIK rates apply to cars registered since 1998.

The list price is on the day before first registration, including most accessories and is reduced by an employee's capital contribution (max £5,000) when the car is first made available.

Where the cost of all fuel for private use is borne by the employee, the fuel benefit is nil. Otherwise, the fuel benefit is calculated by applying the car benefit percentage (above) to £24,600 in 2021/22.

Vans where private use is more than home-to-work travel:

	2021/22	2020/21
Van benefit	£3,500	£3,490
Zero-emission van benefit	£0	£2,792
Fuel benefit*	£669	£666

\*Payments by employees for private use may reduce these benefits in kind.

### TAX-FREE MILEAGE ALLOWANCES

The tax-free business mileage allowance rates apply for qualifying business journeys by employees using their own vehicles.

VEHICLE	Price per mile	
Cars and vans	First 10,000 miles	45p
	Thereafter	25p
Motorcycles		24p
Bicycles		20p
Business passenger		5p

The tax-free business mileage allowance rates for qualifying business journeys incurred by employees using their own vehicle over the course of the tax year. For national insurance purposes, a 45p rate may apply for all business miles incurred by cars and vans.

## CAPITAL GAINS TAX

		2021/22	2020/21
Main Rates	Individual basic rate	10%	10%
	Individual above basic rate	20%	20%
	Trusts and estates	20%	20%
Surcharge – for gains on residential property not eligible for PPR and carried interest		8%	8%
Annual exemption	Individuals	£12,300	£12,300
	Trusts	£6,150	£6,150
Entrepreneurs' relief	Rate	10%	10%
	Lifetime limit	£1m	£1m
Investors' relief	Rate	10%	10%
	Lifetime limit	£10m	£10m

## INHERITANCE TAX

	2021/22	2020/21
Nil-rate band threshold*	£325,000	£325,000
Main residence nil-rate band**	£175,000	£175,000
Combined threshold limit for married couples and civil partners, including main residence nil-rate band	£1m	£1m
Business property relief and agricultural property relief	50% or 100%	50% or 100%

\*Up to 100% of any unused part of a deceased person's nil-rate band can be claimed by the surviving spouse/civil partner on their death.

\*\*For estates worth in excess of £2m, a 50% taper withdrawal applies to the excess.

### TAX RATES

	2021/22	2020/21
Main rate	40%	40%
Chargeable on lifetime transfers	20%	20%
Transfers on or within seven years of death*	40%	40%
Reduced rate**	36%	36%

\*All lifetime transfers not covered by exemptions and made within 7 years of death will be added back into the estate for the purposes of calculating tax payable. This may then be reduced as shown in the table below.

\*\*Applies if 10% of more of net chargeable estate is left to certain registered charities.

Years before death	0-3	3-4	4-5	5-6	6-7
Tax reduced by	0%	20%	40%	60%	80%

## UK COMPANY TAXATION

FINANCIAL YEAR FROM 1 APRIL	2021	2020
Corporation tax main rate	19%	19%
Loans to participators	32.5%	32.5%
Diverted profits tax	25%	25%

## MAIN CAPITAL ALLOWANCES

### INITIAL ALLOWANCES

Super-deduction*	130%
Special rate first year allowance*	50%
Annual investment allowance on first £1m (excludes cars)**	100%
First-year allowance: including new and unused low CO <sub>2</sub> emission cars (up to 50g/km) and zero emission vehicles	100%

\*Applies to qualifying investments in new plant and machinery.

\*\*Applies from 1 January 2021 to 31 December 2021, reverting to £200,000 from 1 January 2022. Transitional rules may apply for the chargeable periods spanning these dates.

### WRITING DOWN ALLOWANCES

Plant and machinery main-rate expenditure		18%
Plant and machinery special-rate expenditure		6%
Cars	0g/km	100%
	1g/km – 50g/km	18%
	Over 50g/km	6%
Structures and building allowance – Straight line relief		3%