



INCOME TAX RATES		2016/17	
Band	Rate	Band	Rate
0 - 5,000	0*	0 - 5,000	0*
5,000 - 32,000	20**	5,000 - 32,000	20**
32,001 - 150,000	40*	32,001 - 150,000	40*
Over 150,000	45*	Over 150,000	45*

Reduce personal allowance by £1 for every £2 of adjusted net income over £100,000.

\*1.100 may be transferable between certain spouses where neither pay tax above the basic rate.

\*\*Eight dividends (7.5%, \*except dividends in excess of £3,000).

Other income taxed first, then savings income and finally dividends. The first £5,000 of dividends are tax free, £1,000 of savings income for basic rate taxpayers (£3,000 for higher rate) may be tax free.

### INCOME TAX RELIEFS

2016/17 Class 1 (employed) rates	
Employer**	Employee*
%	%
Up to £155	Nil
Up to £156	13.8**
Over £156	12
Over £227	2

\*Entitlement to contribution-based benefits related to earnings between £12 and £155 up to £227 per week. The rate is 0% for employees under 21 and apprentices under 25 on earnings per week.

\*\*Entitlement to contribution-based benefits related to earnings between £12 and £155 up to £227 per week.

### NATIONAL INSURANCE

2016/17 Class 1 (employed) rates	
Employer**	Employee*
%	%
Up to £155	Nil
Up to £156	13.8**
Over £156	12
Over £227	2

\*Entitlement to contribution-based benefits related to earnings between £12 and £155 up to £227 per week. The rate is 0% for employees under 21 and apprentices under 25 on earnings per week.

\*\*Entitlement to contribution-based benefits related to earnings between £12 and £155 up to £227 per week.



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### CAPITAL GAINS TAX

Individuals	Exemption	2016/17**
Trusts	Exemption	£11,100
Standard rate		£5,550
Higher rate		10%
		20%*

\*For higher and additional rate taxpayers, and trusts.  
 \*\*Higher rates may apply to the disposal of certain residential property.

### CORPORATION TAX

Year to 31.3.17	
Rate	%
All profits	20*

\*Different rates apply for ring-fenced (broadly oil industry) profits.

### PENSION PREMIUMS

2016/17  
 Tax relief generally available for personal contributions: higher of £3,600 (gross) or 100% of relevant earnings (max. £40,000).  
 The limit may be reduced to £10,000 once money purchase pensions are accessed.

### VALUE ADDED TAX

Standard rate	20%
Reduced rate	5%
Annual Registration Limit - from 1 April 2016	£83,000

### INHERITANCE TAX

Death rate %	Lifetime rate %	Chargeable transfers 2016/17
Nil	Nil	0 - £325,000*
40	20	Over £325,000*

\*Potentially increased for surviving spouses or civil partners who die on or after 9 October 2007.

**Reliefs**

Annual exemption	£3,000	Small gifts	£250
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### CAR, VAN AND FUEL BENEFITS

Company cars 2016/17	Notes
Percentage of car's list price taxed	CO <sub>2</sub> emissions gm/km
7	0-50
11	51-75
15	76-94
additional 1%	for every additional 5*
up to 37% (max.)	200 and above*

\*For diesel cars add a 3% supplement but maximum still 37%.  
 \*For cars registered before 1 January 1999 the charge is based on engine size.  
 \*The list price includes accessories and is not subject to an upper limit.  
 \*The list price is reduced for capital contributions made by the employee up to £5,000.  
 \*Special rules may apply to cars provided for disabled employees.  
 \*If the CO<sub>2</sub> figure does not end in a 5 or 0 round down to the nearest 5 or 0.

**Car fuel benefit 2016/17**  
 £22,200 x 'appropriate percentage'  
 \*Percentage used to calculate the taxable benefit of the car for which the fuel is provided. The charge does not apply to certain environmentally friendly cars.  
 The charge is proportionately reduced if provision of private fuel ceases part way through the year. The fuel benefit is reduced to nil only if the employee pays for all private fuel.

Van benefit per vehicle	Notes
2016/17	
Van benefit £3,170	The charges do not apply to vans if a 'restricted private use condition' is met throughout the year. A reduced charge may be due if the van cannot in any circumstances emit CO <sub>2</sub> by being driven.
Fuel benefit £598	

### MILEAGE ALLOWANCE PAYMENTS

Cars and vans	2016/17 Rate per mile	Notes
Up to 10,000 miles	45p	These rates represent the maximum tax free mileage allowances for employees using their own vehicles for business.
Over 10,000 miles	25p	Any excess is taxable. If the employee receives less than the statutory rate, tax relief can be claimed on the difference.
Bicycles	20p	
Motorcycles	24p	

**Disclaimer:** Rates are for guidance only. No responsibility for loss occasioned by any person acting/refraining from action as a result of this information can be accepted by the authors or firm.