

PERSONAL TAXATION - RATES AND ALLOWANCES

2005/2006		2004/2005	
Taxable Income	Rate	Taxable Income	Rate
1 - 2090	10%	1 - 2020	10%
2091 - 32400	22%	2021 - 31400	22%
Over 32400	40%	Over 31400	40%

ALLOWANCES

	2005/06	2004/05
Personal Allowances:-		
Personal Allowance	4895	4745
Blind Person's Allowance	1610	1560
Age Allowances:-		
Single Person (Over 65)	7090	6830
Married Couples Allowance (over 65 at 5/4/2000)	5905 *	5725 *
Higher Allowance Single Person (Over 75)	7220	6950
Higher Married Couples Allowance (over 75 at 5/4/2000)	5975 *	5795 *
Reduction of relief by £1 for every £2 of income over	19500	18900
Other Allowances:-		
Rent-a-Room Relief	4250	4250
Inheritance Tax Threshold (with effect from 6th April)	275000	263000
Capital Gains Tax Exemption Limit		
- Individuals	8500	8200
- Trustees	4250	4100
Pension Scheme Earnings Cap	105600	102000
Self Employed NIC Contributions		
- Class 2	2.10 p.w.	2.05 p.w.
- Class 4		
Lower	4895	4745
Upper	32760	31720
Rate up to Upper Limit	8%	8%
Rate above Upper Limit	1%	1%
Wife's Wages Limit	93.95 p.w.	90.95 p.w.
National Minimum Wage (from 1st October)		
16-18	3.00 p.h.	3.00 p.h.
18-21	4.25 p.h.	4.10 p.h.
over 21	5.05 p.h.	4.85 p.h.
	10%	10%

* Tax Relief is restricted to

CORPORATION TAX

	From 1st April 2005		From 1st April 2004			
Starting Rate	0	10000	0%	0	10000	0%
Marginal Rate	10001	50000		10001	50000	
Small Co's Rate	50001	300000	19%	50001	300000	19%
Marginal Relief	300001	1500000		300001	1500000	
Main Rate			30%			30%
Dividend Rate			19%			19%

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VALUE ADDED TAX

The Annual VAT Registration turnover limit is increased to £60,000 (£58,000) and the De-registration limit is increased to £58,000 (£56,000) from 1st April 2005.

VAT Scale Rates in respect of private fuel will increase from the first VAT period commencing on or after 1st May 2005. The new rates will be issued in "VAT News" which will be sent to you with your VAT Return.

TRUSTS

In 2004 Gordon Brown announced certain intended changes to the taxation of trusts that were to come in to effect in April this year. Most of these have now been deferred until April 2006 at the earliest. From 6th April 2004 the tax rate applicable to trusts was increased to 40% and from 6th April 2005 such trusts will benefit from a standard rate band for the first £500 of income.

OTHER MATTERS

- , The lower threshold for stamp duty on property transactions has been increased to £120,000 for transactions the 'effective date' for which is on or after 17th March 2005.
- , The £7000 total investment limit and associated £3000 'cash' limit for Individual Savings Accounts (ISA's) are extended until 2010.
- , The Inheritance Tax Free Limit has been set for the next 3 years at £275,000, £285,000 and £300,000.
- , From 6th April 2006 admission charges made by Charities, such as the National Trust, will no longer qualify for Gift Aid and therefore higher rate tax relief can no longer be claimed by the individual.
- , From 6th April 2007 Company vans available for private use will be subject to a fixed scale charge of £3,000 with an additional fuel charge of £500 if applicable.
- , From the date that the Civil Partnership Act comes in to force, 5th December 2005, same sex couples taking advantage of that Act will be treated the same as married couples for tax purposes.
- , Tax scales and rates on company cars remain unchanged.
- , From a date yet to be announced capital expenditure on converting or renovating business premises in 'Disadvantaged Areas' will qualify for immediate 100% tax allowances. Details can be found at http://www.inlandrevenue.gov.uk/pbr2004/sup_cap_allowance.pdf
- , The much heralded changes to the Pension legislation will be implemented in April 2006.

A TIMELY REMINDER

Do not forget the important filing dates this year:-

19th April	Payment of final 2004/5 PAYE liability
19th May	File 2005 P35 (SC35) and P14's
6th July	Forms P11d Form 42 (Issue of shares to employees)
19th July	Payment of Class 1A NIC
31st July	Second payment on account for 2005/6

THIS SUMMARY HAS BEEN PREPARED VERY RAPIDLY AND MAY CONTAIN CERTAIN ERRORS FOR WHICH WE CANNOT BE HELD RESPONSIBLE