

Inheritance Tax

	2021-22	2020-21
Nil rate band for individuals*	£325,000	£325,000
Thereafter - lifetime gifts**	20%	20%
- lower rate on death***	36%	36%
- on death	40%	40%
Residence nil rate band	£175,000	£175,000

* Unused nil rate band can be used by surviving spouse or civil partner.

** Increased to 40%, subject to tapering relief, on gifts made between 3 and 7 years pre death. Certain lifetime gifts are exempt. Special rules for business property.

*** A lower rate applies where 10% or more of the net estate is left to charity.

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

Main exempt lifetime gifts

Recurring annual gifts out of surplus income	unlimited
Annual gifts out of capital (with one year carry forward if unused)	£3,000
Small gifts (per recipient)	£250
Parental gift on marriage	£5,000
Grandparent or party to marriage	£2,500
Other gifts on marriage (per donor)	£1,000

Business Property Relief

Shares in unquoted companies (including USM/AIM stocks)	100%
Shares in quoted companies - shareholding up to 50%	none
- shareholding over 50%	50%
Unincorporated business or interest in a business	100%
Land, buildings, plant and machinery used in the deceased's business/company	50%

Tax Favoured Investments

Individual Savings Account (ISA)	2021-22	2020-21
ISA limit	£20,000	£20,000
Lifetime ISA	£4,000	£4,000
Junior ISA	£9,000	£9,000

Venture Capital Trusts

Income Tax relief of up to 30% on investments up to £200,000.

Enterprise Investment Scheme

Income Tax relief of up to 30% on qualifying share subscriptions up to £1,000,000. (up to £2,000,000 for qualifying investments in knowledge-intensive companies.)

Seed Enterprise Investment Scheme

Income Tax relief of 50% on maximum £100,000 with rollover of chargeable gains.

Calendar

Every month

- 1** Annual Corporation Tax due for companies with a year ending nine months and a day earlier, e.g. tax due 1 January 2022 for year ending 31 March 2021.
- 14** Quarterly instalment of Corporation Tax due for large companies (depending on accounting year end).
- 19** Pay PAYE/NIC and CIS deductions for period ending 5th of the month if not paying electronically. Submit CIS contractors' monthly return.
- 22** PAYE/NIC and CIS deductions paid electronically should have cleared into HMRC bank account.
- 30/31** Submit CT600 for a year ending 12 months earlier. Last day to amend CT600 for a year ending 24 months earlier.

If the due date for payment falls on a weekend or Bank Holiday, payment must be made by the previous working day. Electronic payments sent using the Faster Payments Service (FPS) are able to clear into HMRC's account on a non banking day.

File accounts with Companies House for private companies with a year ending nine months earlier and for public companies with a year ending six months earlier.

2021

- March**
 - 31** Last minute planning for 2020-21 tax year. Make sure to use any CGT and IHT annual allowances and exemptions.
- April**
 - 5** Last day of tax year (6 April 2021, first day of new tax year).
 - 14** Due date for CT61 return and CT payment for quarter to 31 March 2021.
- May**
 - 3** Submit employer forms P46 (car) for quarter to 5 April 2021.
 - 31** Last day to issue 2020-21 P60s to employees.
- July**
 - 5** Final date to agree 2020-21 PAYE Settlement Agreements (PSA).
 - 6** Last date for returns of expenses and benefits (forms P11D, P9D and P11D(b)) for 2020-21 to reach HMRC. Relevant employees to receive copies of forms P11D and P9D.
 - 6** Last date to submit annual returns for employee share schemes and employment-related securities for 2020-21 (forms 34, 35, 39, 40 and 42).
 - 14** Due date for CT61 return and CT payment for quarter to 30 June 2021.
 - 22** Class 1A NICs for 2020-21 due (19th if paid by cheque).
 - 31** Due date for second payment on account of 2020-21 Income Tax and Class 4 NICs.
 - 31** Last day to pay 2019-20 tax to avoid second automatic 5% surcharge.
- August**
 - 2** Submit employer forms P46 (car) for quarter to 5 July 2021
- October**
 - 5** Deadline to notify HMRC of chargeability to Income Tax or CGT for 2020-21.
 - 14** Due date for CT61 return and CT payment for quarter to 30 September 2021.
 - 31** Deadline to submit 2020-21 Self Assessment tax return if filed on paper.
- November**
 - 2** Submit employer forms P46 (car) for quarter to 5 October 2021.
- December**
 - 30** Last day to submit 2020-21 tax return online to have unpaid tax of up to £17,000 collected through the 2022-23 PAYE code.

2022

- January**
 - 14** Due date for CT61 return and CT payment for quarter to 31 December 2021.
 - 31** Submit 2020-21 Self Assessment return online. Pay balance of 2020-21 Income Tax and CGT plus first payment on account for 2021-22.
- February**
 - 2** Submit employer forms P46 (car) for quarter to 5 January 2022.
- March**
 - 31** Last minute planning for 2021-22 tax year. Make sure to use any CGT and IHT annual allowances and exemptions.

D S House, 306 High Street, Croydon, CR0 1NG
163 Herne Hill, London, SE24 9LR
75 Park Lane, Croydon, CR9 1XS

T: 020 3995 7700 | www.dskllp.com



2021 - 2022 TAX CARD



Income Tax

Bands: England & Northern Ireland	2021-22	2020-21
Savings starting rate – 0%*	£1 – £5,000	£1 – £5,000
Basic rate – 20%	£1 – £37,700	£1 – £37,500
Higher rate – 40%	£37,701 – £150,000	£37,501 – £150,000
Additional rate – 45%	Over £150,000	Over £150,000

Bands: Scotland	2021-22	2020-21
Starter rate – 19%**	£1 – £2,097	£1 – £2,085
Basic rate – 20%	£2,098 – £12,726	£2,086 – £12,658
Intermediate rate – 21%	£12,727 – £31,092	£12,659 – £30,930
Higher rate – 41%	£31,093 – £150,000	£30,931 – £150,000
Additional rate – 46%	Over £150,000	Over £150,000

Bands: Wales	2021-22	2020-21
Savings starting rate – 0%*	£1 – £5,000	£1 – £5,000
Basic rate – 20%	£1 – £37,700	£1 – £37,500
Higher rate – 40%	£37,701 – £150,000	£37,501 – £150,000
Additional rate – 45%	Over £150,000	Over £150,000

* The savings starting rate does not apply if non-savings income exceeds £5,000.

** Assumes taxpayer is in receipt of the Personal Allowance.

Income Tax in Scotland and Wales is payable on non-savings and non-dividend income.

Dividend and savings	2021-22	2020-21
Dividend allowance	£2,000	£2,000
Dividend ordinary rate	7.5%	7.5%
Dividend upper rate	32.5%	32.5%
Dividend additional rate	38.1%	38.1%
Personal savings allowance		
– basic rate taxpayers	£1,000	£1,000
– higher rate taxpayers	£500	£500

Reliefs	2021-22	2020-21
Personal allowance	£12,570	£12,500
Registered blind person's allowance	£2,520	£2,500
Income limit for personal allowance*	£100,000	£100,000
Married couples allowance (born pre 6/4/35) at 10%	£9,125	£9,075
– Minimum amount	£3,530	£3,510
– Income limit	£30,400	£30,200
Marriage allowance**	£1,260	£1,250
Rent-a-room relief	£7,500	£7,500
High Income Child Benefit Charge*** on income over	£50,000	£50,000

There is a cap on Income Tax reliefs being the greater of £50,000 or 25% of income.

* The personal allowance is withdrawn by £1 for every £2 of income over £100,000.

** A taxpayer can transfer up to £1,260 (2020-21: £1,250) of their unused personal allowance to a spouse or civil partner who is not a higher rate taxpayer.

*** A tax charge of 1% is levied for each £100 that income exceeds £50,000 to a maximum of 100%.

National Insurance

Class 1 (employed)

Earnings limits (weekly)	Employee (primary)	Employer (secondary)
Up to £184 (employees) / £170 (employers)	0%	0%
£184.01 (employees) / £170.01 (employers) to £967	12%	13.8%
Over £967	2%	13.8%
Over State Pension age	0%	13.8%

Entitlement to contribution based benefits are retained for earnings between £120 and £184 per week.

Employers' contributions are 0% for employees under 21 and apprentices under 25 on earnings up to £967 per week.

Class 1A (employers) 13.8% on the amounts of taxable benefits

Class 1B (employers only) 13.8% on PAYE settlement agreements

Class 2 (self-employed) £3.05 per week (unless earnings below £6,515 pa)

Class 3 (voluntary) £15.40 per week

Class 4 (self-employed) 9% of profits between £9,568 and £50,270 pa plus 2% on profits above £50,270

A National Insurance employment allowance of £4,000 (2020-21: £4,000) is available to offset against employers' Class 1 secondary NICs. The allowance is restricted to employers with employer NIC liabilities of under £100,000.

Capital Gains Tax

Annual exempt amount	2021-22	2020-21
Individuals	£12,300	£12,300
Trusts	£6,150	£6,150

Rates	2021-22	2020-21
Standard rate taxpayers*	10%	10%
Higher rate taxpayers / Trustees*	20%	20%

* There is an 8% surcharge on the sale of chargeable residential property.

Business Asset Disposal Relief lifetime limit @ 10%	£1,000,000	£1,000,000
Investors' Relief lifetime limit @ 10%	£10,000,000	£10,000,000

Capital Allowances

	2021-22	2020-21
Plant and machinery		
– Main writing down allowance	18%	18%
– Long life assets, integral fixtures	6%	6%
– First year allowances – super-deduction	130%	n/a
– First year allowances – special rate	50%	n/a
– First year allowances – other	100%	100%
– R&D tax credits SME Scheme	230%	230%
– R&D expenditure credit	13%	13%
– Annual Investment Allowance (AIA)	2021: £1m / 2022: £200k	£1,000,000
– Structures and buildings allowance	3%	3%

Since April 2021, the 100% allowance is only for zero emission vehicles.

The 18% rate will apply to other new cars with emissions from 1g/km to 50g/km and the 6% rate for all other new cars.

Stamp Duty Land Tax and regional equivalents

England and Northern Ireland: Stamp Duty Land Tax (SDLT)

Rates	Residential property	Rates	Non-residential and mixed use property
Zero	£0 – £125,000	Zero	£0 – £150,000
2%	£125,001 – £250,000	2%	£150,001 – £250,000
5%	£250,001 – £925,000	5%	Over £250,000
10%	£925,001 – £1,500,000		
12%	Over £1,500,000		

The temporary SDLT holiday extending the nil rate band to £500,000 applies until 30 June 2021. From 1 July 2021 to 30 September 2021 the nil rate band reduces to £250,000 returning to the standard amount of £125,000 on 1 October 2021.

A 2% surcharge on non-UK residents purchasing residential property applies from 1 April 2021.

Scotland: Land & Buildings Transaction Tax (SLBTT)

Rates	Residential property	Rates	Non-residential and mixed use property
Zero	£0 – £145,000	Zero	£0 – £150,000
2%	£145,001 – £250,000	1%	£150,001 – £250,000
5%	£250,001 – £325,000	5%	Over £250,000
10%	£325,001 – £750,000		
12%	Over £750,000		

Wales: Land Transaction Tax (WLTT)

Rates	Residential property	Rates	Non-residential and mixed use property
Zero	£0 – £180,000	Zero	£0 – £225,000
3.5%	£180,001 – £250,000	1%	£225,001 – £250,000
5%	£250,001 – £400,000	5%	£250,001 – £1,000,000
7.5%	£400,001 – £750,000	6%	Over £1,000,000
10%	£750,001 – £1,500,000		
12%	Over £1,500,000		

The temporary WLTT holiday extending the nil rate band to £250,000 applies until 30 June 2021.

All rates of **SDLT**, **SLBTT** and **WLTT** are applied on a graduated basis with the portion of the purchase price within each tier charged at the applicable rate.

A higher rate of **SDLT**, **SLBTT** and **WLTT** applies on most purchases of additional residential property such as buy to let and second homes.

There are some special reliefs for first-time buyers.

National Living Wage

	2021-22	2020-21
Aged 23 & over (2020-21: 25 & over)	£8.91 p.h.	£8.72 p.h.

National Minimum Wage

	2021-22	2020-21
Aged 21 to 22 (2020-21: 21 to 24)	£8.36 p.h.	£8.20 p.h.
Aged 18 to 20	£6.56 p.h.	£6.45 p.h.
Aged 16 to 17	£4.62 p.h.	£4.55 p.h.
Apprentice rate	£4.30 p.h.	£4.15 p.h.

Corporation Tax

	FY 2021	FY 2020
Main rate	19%	19%
Loans to participants	32.5%	32.5%

VAT

Amounts	Rates
Annual registration limit (from 1 April 2021)	£85,000 Standard rate* 20%
Annual deregistration limit (from 1 April 2021)	£83,000 Reduced rate 5%
VAT Cash accounting scheme threshold	£1,350,000 Zero rate 0%
VAT Annual accounting scheme threshold	£1,350,000

* 5% for tourism and hospitality sector to 30/9/2021 then 12.5% up to 31/3/2022.

Pensions

Contributions	2021-22	2020-21
Lifetime allowance	£1,073,100	£1,073,100
Maximum annual contribution	£40,000	£40,000
Tax on excess	Marginal rate	Marginal rate
Normal minimum pension age	55	55
Money purchase annual allowance	£4,000	£4,000

The annual allowance is tapered for taxpayers whose income exceeds £240,000 (2020-21: £240,000). The allowance is reduced by £1 for every £2 taken up to a minimum of £4,000 (2020-21: £4,000).

Car, Van & Fuel Benefits

Company cars

The annual benefit for company cars is based on a percentage of the list price. The percentage rate is dependent on the level of CO₂ emissions. For cars first registered on or after 6 April 2020, the rate is 1% for zero emission cars and electric cars with a range greater than 130 miles with emissions from 1-50g/km. There are further variable rates from 1-50g/km. For emissions of 51-54g/km the rate is 14%. The rate then increases by 1% for each additional 5g/km above 55g/km up to a maximum rate of 37% reached at 165g/km. There are different rates for cars registered earlier. There is a diesel supplement of 4% for cars not certified to RDE2 standard (max of 37%).

Car fuel benefit

£24,600 (2020-21: £24,500) × 'appropriate percentage'.

The charge is reduced if provision of private fuel ceases part way through the year. The fuel benefit is reduced to nil if the employee pays for all private fuel.

Van benefit per vehicle	2021-22	2020-21
Van benefit	£3,500	£3,490
Fuel benefit	£669	£666

Mileage Allowance Payment

Rate per mile	2021-22	2020-21
Cars & vans - up to 10,000 miles	45p	45p
– over 10,000 miles	25p	25p
Motorcycles	24p	24p
Bicycles	20p	20p