

## Personal tax

### Income and tax rates UK (excl Scotland)

General rate	Dividend rate	Taxable income 2017/18	Taxable income 2016/17
20% <sup>(1)</sup>	7.5%	£0 to £33,500	£0 to £32,000
40%	32.5%	£33,501 to £150,000	£32,001 to £150,000
45%	38.1%	Over £150,000	Over £150,000

### Income and tax rates Scotland

General rate	Dividend rate	Taxable income 2017/18	Taxable income 2016/17
20% <sup>(1)</sup>	7.5%	£0 to £31,500	£0 to £32,000
40%	32.5%	£31,501 to £150,000	£32,001 to £150,000
45%	38.1%	Over £150,000	Over £150,000

Certain trusts taxed at 45% (38.1% on dividend income).

1. Savings income of up to £5,000 taxable at 0% in certain circumstances.

### Allowances and reliefs

	2017/18	2016/17
Personal allowance <sup>(1)</sup>	£11,500	£11,000
Dividend allowance <sup>(2)</sup>	£5,000	£5,000
Personal savings allowance <sup>(2)</sup>		
Basic rate taxpayer	£1,000	£1,000
Higher rate taxpayer	£500	£500
Additional rate taxpayer	Nil	Nil

1. Withdrawn at a rate of £1 of allowance for every £2 of income over £100,000.

2. The dividend allowance and personal savings allowance utilise the basic and higher rate bands.

### Capital gains tax

	2017/18	2016/17
Basic rate taxpayers	10%	10%
Higher rate taxpayers	20% <sup>(1)</sup>	20% <sup>(1)</sup>
Trustees	20% <sup>(1)</sup>	20% <sup>(1)</sup>
Entrepreneurs' relief	10%	10%
Annual exemption (individuals and personal representatives)	£11,300	£11,100
Annual exemption (trustees)	£5,650	£5,550

1. A rate of 28% applies to chargeable gains accruing on the disposal of residential property and certain other assets.

### Individual savings accounts (ISAs)

	2017/18	2016/17
Maximum investment	£20,000	£15,240
Cash in a junior ISA (Under 18)	£4,128	£4,080

### Registered pension schemes: tax reliefs

	2017/18	2016/17
Annual contribution allowance 100% of salary up to	£40,000 <sup>(1)</sup>	£40,000 <sup>(1)</sup>
Permitted pension contribution (irrespective of salary)	£3,600	£3,600
Lifetime benefit allowance	£1,000,000	£1,000,000

1. Broadly, reduced by £1 for every £2 of income above £150,000, to a minimum allowance of £10,000.

## Inheritance tax

### Tax rate on death

	2017/18	2016/17
Nil	Up to £325,000	Up to £325,000
40%	Above £325,000	Above £325,000

For 2017/18 an additional 'residence nil rate band' of £100,000 can be used, broadly, against the transfer of residential property or proceeds to a child or grandchild.

### Lifetime gifts

Most lifetime gifts to individuals are charged to inheritance tax only if made within seven years before the donor's death. Subject to the nil rate band they are charged on the following scale:

Years before death	0-3	3-4	4-5	5-6	6-7
% of death charge	100	80	60	40	20
% effective rate	40	32	24	16	8

Lifetime gifts to most trusts are, subject to the nil rate band, chargeable at half the death rate increasing on the above scale if death occurs within seven years.

## Corporate tax

### Corporate tax

	FY2017	FY2016
Taxable profits	19%	20%

### Capital allowances

	2017/18	2016/17
<b>Annual investment allowance</b>		
100% allowance for expenditure on plant and machinery (excluding cars) up to:	£200,000	£200,000
<b>First year allowances</b>		
Qualifying assets	100%	100%
<b>Writing-down annual allowances (on a reducing balance basis)</b>		
Integral features, long life plant and machinery, and certain cars	8%pa	8%pa
Other plant and machinery	18%pa	8%pa

## Indirect taxes

### VAT

	FY2017	FY2016
Standard rate	20%	20%
Fraction	1/6	1/6
Registration <sup>(1)</sup> – annual turnover limit	£85,000	£83,000
De-registration – annual turnover limit	£83,000	£81,000
Cash accounting turnover limit	£1,350,000	£1,350,000
Annual accounting turnover limit	£1,350,000	£1,350,000

1. The threshold is nil for non-UK established businesses making taxable supplies in the UK.

### National Insurance Contributions 2017/18

Class 1 Employees' rates	
Weekly earnings	Rate
Below £157	Nil
£157 to £866	12%
Over £866	2%
Class 1 Employers' rates	
Weekly earnings	Rate
Below £157	Nil
Over £157 <sup>(1)</sup>	13.8%
Annual allowance for most employers	£3,000

1. Special rules for employees under 21 years old, or apprentices under 25 years old.

<b>Class 1A Employer</b>	13.8% on most benefits in kind not within Class 1.
<b>Class 2 Self-employed</b>	Flat rate £2.85 pw (if earnings exceed £6,025).
<b>Class 3 Voluntary</b>	Flat rate £14.25 pw.
<b>Class 4 Self-employed</b>	9% on annual profits between £8,164 and £45,000. 2% on annual profits above £45,000.

The details set out above should be taken as a general guide. Many of the rates and allowances are subject to a range of exceptions and special rules apply in certain circumstances. Please contact us if you have any questions:

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## Personal tax dates

### April

- 5 It's the end of the tax year and the last day to maximise your ISA contributions.  
  
It's also the last opportunity for some high-earners to take advantage of a £40,000 (gross) annual pension allowance.

### July

- 31 The second payment on self-assessment income tax is due. Be sure to do this as interest will be charged on late payment, plus a late filing penalty of £100. You also need to pay any remaining self-assessment tax due or a further 5% surcharge will be imposed.

### October

- 31 Your paper self-assessment tax returns are to be filed by this date. HMRC will calculate your tax liability and, if you've underpaid up to £3,000 of tax, HMRC will try to collect this via the PAYE coding rather than being paid direct on 31 January.

This is also the deadline to carry back Gift Aid contributions to the previous year if paper filing.

### December

- 25 Happy Christmas! Received financial gifts? We have some tips on what to do with a windfall – contact our personal tax team.

Contact Morag Watson on [morag.watson@scott-moncrieff.com](mailto:morag.watson@scott-moncrieff.com) or call 0131 473 3500

### December

- 30 This is the online deadline for coded underpayments of tax. If you want any underpayment included in next year's tax return, you will have to file your return electronically in advance of this date, rather than 31 January.

### January

- 31 Online self-assessment tax returns to be filed so HMRC can calculate the tax liability for online filers. Any outstanding tax for the year to 5 April, as well as the first payment on account for the current tax year, must be paid.

This is also the deadline to carry back Gift Aid contributions to the previous year if filing online.

### February

- 28 Be careful! If any of the self-assessment tax due by 31 January has still not been paid, a 5% surcharge will now apply.

### March

As we're approaching the end of the tax year it's time to get your tax affairs in order and put those all-important dates in your diary.

Although ISAs, venture capital trusts (VCT) and enterprise investment schemes (EIS) are not April dependent in all circumstances, a number of providers often close their schemes at the end of the tax year, so make sure you maximise your contributions now!

## Employment tax dates

### May

- 31 Make sure all your employees have a copy of their P60 by this date. If you fail to provide this form, or if the amount of tax involved is significant, a penalty will be imposed. If the failure continues, a further daily penalty will then apply.

### July

- 6 If you provide benefits, such as company cars, cheap loans or medical insurance, to your employees, form P11D needs to be submitted. If not, a maximum penalty of £300 will apply and a penalty of £60 per form per day. If the form is incorrect or incomplete, a maximum penalty of £3,000 per form can be imposed. If you provide any share-related benefits to employees, form 42 should also be submitted by this date. Contact our employment tax team if you'd like help completing these forms.

If you provided shares or options to any employees in the previous tax year, returns need to be submitted electronically, including a note of any changes.

### July

- 19 Class 1A National Insurance Contributions, as shown on form P11D(b), to be submitted to HMRC if paying by cheque. If this isn't done by today, a penalty of £100 for each month (or part month) for every 50 employees will apply.

### July

- 22 Class 1A National Insurance Contributions to be paid online or interest will be charged.

### August

- 2 If any of your employees have been provided with or withdrawn from using a company car, you need to provide details for the quarter to 5 July using the P46 (Car) form. A similar deadline applies each quarter.

### October

- 19 PAYE Settlement Agreement (PSA) liabilities and Class 1B National Insurance Contributions to be submitted to HMRC if paying by cheque or interest will be charged.

### October

- 22 PAYE Settlement Agreement (PSA) liabilities and Class 1B National Insurance Contributions to be paid online or interest will be charged.

### December

- It's the Christmas party season! If you're hosting an event for employees, remember you have an annual tax free amount of £150 per employee. If this limit is exceeded, the employee will be liable to pay tax on the full amount via form P11D, unless the employer enters into a PAYE Settlement Agreement (PSA).

Contact Shaun Young on [shaun.young@scott-moncrieff.com](mailto:shaun.young@scott-moncrieff.com) or call 0141 567 4500

## Construction industry tax dates

### Every month

- 19 Contractors – your deadlines are easier to remember! Just make sure you submit your Construction Industry Scheme monthly returns the 19th of every month.