

Budget 2008

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Personal Tax

Allowances

	2008/9	2007/8
Personal	5435	5225
Personal (65-74)	9030*	7550
Personal (>75)	9180*	7690
Blind Persons	1800	1730

*Reduced when income exceeds £21,800

Personal Tax

Rates

	2008/9	2007/8
10%	-	0-2230
22/20%	0-36000	2231-34600
40%	>36000	>34600
Higher rate on dividends	32.5%	32.5%

Company Cars Benefit

Based on Manufacturers list price plus accessories then on emissions*

	2008/9	2007/8
10%	0-120	-
15%	121-135	>145
per 5 over min.	+1%	+1%
Diesel surcharge	+3%	+3%
Bio reduction	-2%	-
Maximum	35%	35%

*grams per kilometre

Fuel Scale charges

Scale charge now based on the same percentage as the car benefit charge this year it will be a percentage of £14400.

Company petrol car mileage at 11p, 13p and 19p dependant on CC.
(diesel 11p, 11p and 14p)

Mileage Rates

Unchanged at 40p per mile for first 10000 miles then 25p.

National Insurance

2008/9

2007/8

Employees	£105-770p.w	£100-670p.w
	11.0%	11.0%
	over £770 1%	over £670 1%
Employers	>£105p.w	>£100p.w
	12.8%	12.8%
	over £770 1%	over £670 1%
Class 2	£2.30.p.w	£2.20p.w
Class 4	5435-40040	5225-34840
	8%	8%
	1% over 40040	1% over 33540

Business Taxes

2008/9

2007/8

Corporation Tax

£0-300k	21%	£0-300k	20%
>£300k	28%	>300k	30%

Capital allowances

Energy saving plant	100%	100%
Plant & equipment	20%	25%
1st year	100%*	50%*

*small companies up to £50000

VAT changes

- Registration limit up to £67K
- Scale charges now on emissions range from £46-£161 per month..
- Reduced rate of 5% for smoking cessation products continues.

Non business

- Spirits Tax up 55p a bottle, Wine up 14p a bottle, Beer up 4p a pint, cigarettes up 11p for 20.
- Additional Excise duties for high emission cars plus additional one off charge from 2009.
- Petrol 2p per litre in October postponed
- ISA s up to £7200 per year of which £3600 may be cash ISA.

Other Changes

2008/9 2007/8

Inheritance tax limit	£312k	£300k
CGT	£9600	£9200

Other Tax Changes

- 2007/8 tax returns must be filed by 31st October unless filed online.
- Non Dom £30K charge
- Increase in tax credits partly to offset effect of lost 10% rate
- One off increase of £50/100 in winter fuel allowance.

Future Tax Changes

- Further increase in small company tax rate to 22% by 2009/10

Budget 2008

Dull?

Small climb down on CGT

Greater tax take of average wage

More Enviromental Taxes

Green or Greedy?

Continued tightening of anti-avoidance rules to get tax take up.

Budget 2008

	Self Employed	Ltd Employed	Ltd All Dividend	Ltd Split* Dividends
Billing	100000	100000	100000	100000
Ers Ni		10731		
Salary		89269		
Taxable Profit	100000	0	100000	100000
Salary	0	89269	0	0
Dividend			79000	79000
Corp Tax	0	0	21000	21000
NI	3488	4309	0	0
20% Tax	7200	7200	0	0
40% Tax	23426	19134	9391	0
Net Income	65886	58626	69609	79000
Effective Tax	34.1%	41.4%	30.4%	21.0%