

### SUPPLEMENTARY INSTRUCTIONS

1. You should assume that the tax rates and allowances for the tax year 2012/13 and for the financial year to 31 March 2013 will continue to apply for the foreseeable future unless you are instructed otherwise.
2. Calculations and workings need only be made to the nearest £.
3. All apportionments should be made to the nearest month.
4. All workings should be shown.

### TAX RATES AND ALLOWANCES

The following tax rates and allowances are to be used in answering the questions.

Income tax		Normal	Dividend
		rates	rates
		%	%
Basic rate	£1 – £34,370	20	10
Higher rate	£34,371 – £150,000	40	32.5
Additional rate	£150,001 and over	50	42.5

A starting rate of 10% applies to savings income where it falls within the first £2,710 of taxable income.

Personal allowances		£
Personal allowance	Standard	8,105
	65 – 74	10,500
	75 and over	10,660
Income limit for age related allowances		25,400
Income limit for standard personal allowance		100,000

### Car benefit percentage

The relevant base level of CO<sub>2</sub> emissions is 100 grams per kilometre.

The percentage rates applying to petrol cars with CO<sub>2</sub> emissions up to this level are:

	%
75 grams per kilometre or less	5
76 grams to 99 grams per kilometre	10
100 grams per kilometre	11

### Car fuel benefit

The base figure for calculating the car fuel benefit is £20,200.

### Individual savings accounts (ISAs)

The overall investment limit is £11,280, of which £5,640 can be invested in a cash ISA.

### Pension scheme limits

Annual allowance	£50,000
Lifetime allowance	£1,500,000
Maximum contribution that can qualify for tax relief without evidence of earnings	£3,600

**Authorised mileage allowances: cars**

Up to 10,000 miles	45p
Over 10,000 miles	25p

**Capital allowances: rates of allowance**

	%
<b>Plant and machinery</b>	
Main pool	18
Special rate pool	8
<b>Motor cars</b>	
New cars with CO <sub>2</sub> emissions up to 110 grams per kilometre	100
CO <sub>2</sub> emissions between 111 and 160 grams per kilometre	18
CO <sub>2</sub> emissions over 160 grams per kilometre	8
<b>Annual investment allowance</b>	
First £25,000 of expenditure	100

**Corporation tax**

Financial year	2010	2011	2012
Small profits rate	21%	20%	20%
Main rate	28%	26%	24%
	£	£	£
Lower limit	300,000	300,000	300,000
Upper limit	1,500,000	1,500,000	1,500,000
Standard fraction	7/400	3/200	1/100

**Marginal Relief**

Standard fraction x (U – A) x N/A

**Value added tax (VAT)**

Standard rate	20%
Registration limit	£77,000
Deregistration limit	£75,000

### Inheritance tax: nil rate bands and tax rates

	£	
6 April 2012 to 5 April 2013	325,000	
6 April 2011 to 5 April 2012	325,000	
6 April 2010 to 5 April 2011	325,000	
6 April 2009 to 5 April 2010	325,000	
6 April 2008 to 5 April 2009	312,000	
6 April 2007 to 5 April 2008	300,000	
6 April 2006 to 5 April 2007	285,000	
6 April 2005 to 5 April 2006	275,000	
6 April 2004 to 5 April 2005	263,000	
6 April 2003 to 5 April 2004	255,000	
6 April 2002 to 5 April 2003	250,000	
6 April 2001 to 5 April 2002	242,000	
6 April 2000 to 5 April 2001	234,000	
6 April 1999 to 5 April 2000	231,000	
6 April 1998 to 5 April 1999	223,000	
Rate of tax on excess over nil rate band	– Lifetime rate	20%
	– Death rate	40%

### Inheritance tax: taper relief

Years before death:	% reduction
More than 3 but less than 4 years	20
More than 4 but less than 5 years	40
More than 5 but less than 6 years	60
More than 6 but less than 7 years	80

### Capital gains tax

	%
Rate of tax – Lower rate	18
– Higher rate	28
Annual exempt amount	£10,600
Entrepreneurs' relief – Lifetime limit	£10,000,000
– Rate of tax	10%

**National insurance contributions**  
(not contracted out rates)

			%
Class 1	Employee	£1 – £7,605 per year	Nil
		£7,606 – £42,475 per year	12·0
		£42,476 and above per year	2·0
Class 1	Employer	£1 – £7,488 per year	Nil
		£7,489 and above per year	13·8
Class 1A			13·8
Class 2		£2·65 per week	
		Small earnings exception limit – £5,595	
Class 4		£1 – £7,605 per year	Nil
		£7,606 – £42,475 per year	9·0
		£42,476 and above per year	2·0

**Rates of interest (assumed)**

Official rate of interest	4·0%
Rate of late payment interest	3·0%
Rate of repayment interest	0·5%

**Stamp duty land tax**

	%
£150,000 or less (1)	Nil
£150,001 – £250,000	1
£250,001 – £500,000	3
£500,001 – £1,000,000	4
£1,000,001 – £2,000,000 (2)	5
£2,000,001 or more (2)	7

(1) For residential property, the nil rate is restricted to £125,000.

(2) The 5% and 7% rates apply to residential properties only. The 4% rate applies to all non-residential properties where the consideration is in excess of £500,000.

**Stamp duty**

Shares	0·5%
--------	------