

## Supplementary Instructions and Tax Rates and Allowances

The following supplementary instructions and tax rates and allowances will be reproduced in the exam paper in the June and December 2013 exams. The tick (✓) indicates whether this information is included, and therefore examinable, in Paper F6 (UK) and Paper P6 (UK). In addition, other specific information necessary for candidates to answer individual questions will be given as part of the question.

SUPPLEMENTARY INSTRUCTIONS				F6	P6
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.			✓	✓
Income tax					
		Normal rates	Dividend rates	✓	✓
		%	%		
Basic rate	£1 – £34,370	20	10		
Higher rate	£34,371 to £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		
Personal allowance	65 – 74		10,500		
Personal allowance	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 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		✓
The 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					
Plant and machinery			%	✓	✓
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		
<b>Corporation tax</b>					
<b>Financial year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	✓	✓
Small companies 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		
<b>Marginal relief</b>					
Standard fraction x (U – A) x N/A				✓	✓
<b>Value added tax</b>					
Standard rate			20%	✓	✓
Registration limit			£77,000		
Deregistration limit			£75,000		
<b>Inheritance tax: tax rates</b>					
£1 – £325,000			%	✓	
Excess – Death rate			40		
– Lifetime rate			20		
<b>Inheritance tax: nil rate bands and tax rates</b>					
			£		✓
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%		
<b>Inheritance tax: taper relief</b>					
Years before death:			Percentage reduction	✓	✓
Over 3 but less than 4 years			20		
Over 4 but less than 5 years			40		
Over 5 but less than 6 years			60		
Over 6 but less than 7 years			80		
<b>Capital gains tax</b>					
Rates of tax – Lower rate			18%	✓	✓
– Higher rate			28%		
Annual exempt amount			£10,600		
Entrepreneurs' relief – Lifetime limit			£10,000,000		
– Rate of tax			10%		